**Annexure II**

**(Part I- Policy)**

# POLICY OF THE BANK FOR DOMESTIC RESIDENT RUPEE DEPOSITS AND OTHER LIABILITIES

**Division : Business Acquisition & Relationship Management Division**

**Version : 2026_BA&RM_1.0**

# Policy Custodian

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| **Division** | Business Acquisition & Relationship Management Division |
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# Policy Version Control

| S. No. | Version Number | Version Date | Summary of changes |
|---|---|---|---|
| 1. | 2020_RBD_1.0 | Feb 20 | NIL |
| 2. | 2021_RLBD_1.0 | Feb 21 | NIL |
| 3. | 2022_RLBD_2.0 | March 22 | NIL |
| 4. | 2023_BA&RM_3.0 | March 23 | Bank has constituted a Customer Service Committee of the Board which includes experts and representatives of customers as invitees to enable the Bank to formulate policies on Deposit Products. |
| | | | Issuance of cheque books in the account of minors above age of 10 years |
| | | | Requirement of KYC of guardian while opening accounts of minor above 10 years of age |
| | | | Rights of depositors: Right to Fair Treatment |
| | | | Charges Leviable |
| | | | Annual Survey of Depositor Satisfaction |
| 5. | 2024_BA&RM_1.0 | February24 | Clause No. 2.2.2.1 Added 'proprietorship firm' in eligibility for account opening |
| | | | Clause 2.2.16 Settlement of dues in deceased depositor's account - For |

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| | | | deposit accounts and lockers having nomination/survivorship mandate, the claim should be settled within a period not exceeding 15 days from the date of receipt of the claim and<br>In the case of deposit accounts and lockers without survivorship mandate / nomination, the claim should be settled, within one month |
| | | | Clause 2.2.19 Inoperative/Dormant Accounts - In case any response is received from the account holder giving the reasons for not operating the account, the same shall be continued to be classified as operative for one more year |
| 6. | 2025_BA&RM_1.0 | June 25 | Addition of clause 2.2.2.3 Bogus/Fictitious Nomination |
| | | | Addition of para in Clause 2.2.4 Interest Payments |
| | | | Modification in Clause 2.2.5. Minors Account |
| | | | Addition of para in Clause 2.2.11 Charges Leviable |
| | | | Addition of para in Clause 2.2.13 Premature Renewal (Extension) of Term Deposit |
| | | | Modification in Clause 2.2.14 Renewal of Term Deposits |
| 7. | 2026_BA&RM_1.0 | March 26 | Modification in Para 2.2.1.d |
| | | | Modification in Account Opening and Operation of Deposit Accounts- Common Guidelines |
| | | | Addition of Para under Nomination |
| | | | Modification in Para- Minor's Account |
| | | | Modification in Para - Banking facilities to Visually Challenged Person |

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| | | | Modification and Addition in Para - Levy of Non-Credit Related Service Charges pertaining to General Banking |
| | | | Modification in Para Renewal of Term Deposits/ Overdue Term Deposits |
| | | | Addition of Para- Settlement of Dues/Claims in Deceased Depositor's Account |
| | | | Deletion of Para – Safe Deposit Lockers |
| | | | Modification and Addition of Para- Passbook/ Statement of Account |
| | | | Addition of New Para and Deletion of repetitive guidelines Cheque Book |
| | | | Modification of Para– Stop Payment Facility |
| | | | Addition of Para- Prohibition on Acceptance of Deposits at the Instance of Private Financiers/ Unincorporated Bodies |
| | | | Addition of Para- Prohibition on Association with Prize Chit Schemes and Sale of Lottery Tickets |
| | | | Modification of Para- Disclosure and Publicity of the Policy |

# Policy Governance

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| **Frequency of Review** | Annual |
| **Last reviewed on** | 28.03.2024 |
| **Approval Path** | ORMC ⟹ CSCB ⟹ BOARD |
| **Supersedes** | BA&RM (Deposit & Marketing) Circular no. 35/2025, dated 24.07.2025, Policy of the Bank for Domestic Rupee Resident Deposits |

# Contents

## Part I- Policy

# Part II – Operational Guidelines

## 1. POLICY OVERVIEW

Model Policy on Bank Deposits was last circulated vide BA&RM Division (Deposit & Marketing) Cir. No. 35/2025 dated 24.07.2025, based on IBA's Model Policy on Bank Deposits and the same was reviewed by the Board. This policy document on deposits outlines the guiding principles behind formulation of various deposit products offered by the Bank and terms and conditions governing the conduct of the Accounts. While adopting this policy, the Bank reiterates its commitments to individual customers outlined in the Code of Bank's Commitment to Customers. The document is a broad framework under which the rights of commondepositors are recognized. Detailed operational instructions on various deposit schemes and related services are being issued from time to time.

Bank has constituted a Customer Service Committee of the Board as per RBI Master Circular on Customer Service in Bank RBI/2015-16/59 dated 01.07.2015, which includes experts and representatives of customers as invitees to enable the Bank to formulate policies on Deposit Products and assess the compliance there of internally with a view to strengthening the corporate governance structure in the Banking system and also to improve quality of customer service provided by the Bank. Customer Service Committee of the Board, illustratively, address the following: -

a) Formulation of a Comprehensive Deposit Policy.
b) Issues such as the treatment of death of a depositor for operations of his account.
c) Product approval process with a view to suitability and appropriateness.
d) Annual survey of depositor satisfaction.
e) Tri-ennial audit of such services. Besides, the Committee also examines any other issues having a bearing on the quality of customer service rendered.

## 2. POLICY DETAILS

### 2.1 POLICY DEFINITION

One of the important functions of the Bank is to accept deposits from the public for the purpose of lending. In fact, depositors are the major stake holders of the Banking System. The depositors and their interest form the key area of the regulatory framework for Banking in India and this has been enshrined in the Banking Regulation Act, 1949.

The document recognizes the rights of the depositors and aims at dissemination of information with regard to various aspects of acceptance of deposits from the members of the public, conduct and operations of various deposit accounts,payment of interest on various deposit accounts, closure of deposit accounts, method of disposal of deposits of deceased depositors, etc., for the benefit of customers. It is expected that this document will impart greater transparency in dealing with the individual customers and create awareness among customers of their rights. The ultimate objective is that the customer will get services they are rightfully entitled to receive without demand.

This transparent and comprehensive policy sets out the rights of the depositors in general and small depositors in particular. The policy covers all aspects of operations of deposit accounts, charges leviable and other related issues to facilitate interaction of depositors at branch levels. The policy is also explicit in regard to secrecy and confidentiality of the customers. Providing other facilities by 'tying-up' with placement of deposits is clearly a restrictive practice.

Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025 conveyed vide notification no RBI/DOR/2025-26/170 DOR.MCS.REC.No.89/01-01-032/2025-26 dated 28.11.2025 and RBI/2025-26/103 DOR.MCS.REC.No.310/01-01-032/2025-26 dated 04.12.2025 has issued framework and guidelines on Deposit and Other Liabilities, Financial Inclusion, Payment and Remittance and Customer Guidance and Protection and has mandated that banks should have policies on Deposit, Safe Deposit Lockers, Basic Savings Bank Deposit Accounts, various types of Service Charges and Penal Charges for non-maintenance of minimum balance in saving accounts.

Accordingly, to have a comprehensive guideline on above and as part of rationalization of agenda items and policies placed to the Board, Policy of the bank for Domestic Resident Rupee Deposit and Policy for Lockers have been consolidated. Further RBI mandated that Bank must have Board approved Policies on - Basic Saving Bank Deposit Accounts and Penal Charges for Non- Maintenance of Minimum Balance in Saving Accounts. Accordingly, both the policies have been incorporated and renamed as "Policy on Domestic Resident Rupee Deposit and Other Liabilities - Responsible Business Conduct". Other Liabilities for the purpose of items covered in this policy shall mean Policy and SOP for Safe Deposit Lockers, BSBDA and Penal Charges for Non- Maintenance of Minimum Balance in Saving Accounts**.**

The Policy on Bank Deposit is governed by the Regulatory and Statutory Guidelines issued from time to time. All guidelines are implemented by the Bank and Policy Document has been prepared in line with the Regulatory Guidelines and statutory guidelines.

## 2.2 SCOPE OF THE POLICY

### 2.2.1 TYPES OF DEPOSIT ACCOUNTS

While various deposit products offered by the Bank are assigned different name, the deposit products can be broadly categorized into the following types. Definition of major deposit schemes are as under:

a) **"Demand deposit"** means a deposit received by the Bank, which is withdrawable on demand.

b) **"Savings deposit"** means a form of interest bearing demand deposit which is a deposit account whether designated as "Savings Account", "Savings Bank Account", "Savings Deposit Account", "Basic Savings Bank Deposit Account (BSBDA)" or other account by whether name called which is subject to the restrictions as to the number of withdrawals as also the amounts of withdrawals permitted by the Bank during any specified period.

c) **"Current Deposit"** means a form of non-interest bearing demand deposit where from withdrawals are allowed any number of times depending upon the balance in the account or up to a particular agreed amount and shall also be deemed to include other deposit accounts which are neither Savings Deposit nor Term Deposit.

d) **"Term deposit"** means an interest bearing deposit received by the Bank for a fixed period and shall also include deposits such as Recurring /Cumulative/Annuity /Reinvestment deposits and Cash Certificates**.**

e) **"Notice deposit"** means term deposit for specific period but withdrawable on giving at least one complete Banking days' notice.

**Modes of Deposits:**

Deposits in account can be made by way of cash, cheques, electronic transfers (RTGS, IMPS, UPI), ECS or through any other means such as Internet/Mobile Banking which may come into usage after giving due notice by the Bank on its website.

**Modes of Withdrawal:**

Withdrawal in accounts can be by way of cheques, withdrawal forms, through the use of ATMs, POS machines, by means of electronic transfer through Internet, by use of biometric cards, by giving standing instructions to the Bank.

### 2.2.2 ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS

a) A bank shall be guided by Reserve Bank's instructions on KYC/ AML for opening and operation of accounts as prescribed in the RBI- Know Your Customer Directions 2025 and by RBI's instructions on Interest Rates on Deposit Accounts and related matters as prescribed in the RBI- Interest Rate on Deposits Directions 2025 (updated from time to time).

b) The Bank is committed to provide basic Banking services to disadvantaged sections of the society through Basic Savings Bank Deposit Accounts (BSBDA) and Small Savings accounts. Small Savings accounts may be opened with relaxed KYC policy as per regulatory guidelines.

### 2.2.2.1. Eligibility for Account Opening

a) **Savings Bank Accounts** can be opened for eligible person / persons and certain organizations / agencies (as approved by Reserve Bank of India fromtime to time).

b) **Current Accounts** can be opened by individuals /proprietorship firms/ partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts/ Government Department (Central or State)/ Limited Liability Partnership, etc.

c) **Term Deposit Accounts** can be opened by Individuals /proprietorship firms/ Partnership firms / Private and Public Limited Companies / HUFs / Specified Associates / Societies / Trusts/ Government Department (Central or State)/Limited Liability Partnership, etc.

### 2.2.2.2 Nomination:

Bank offers nomination facility in deposit accounts in accordance with the provisions of sections 45ZA, 45ZB and 45ZG of the Banking Regulation Act 1949. Further bank offers nomination in safe deposit lockers and articles kept in safe custody by the provisions of sections 45ZC to 45ZG of the said act.

a) The nomination by the depositor, or as the case may be, all the depositors together, in respect of a deposit held with bank to the credit of one or more individuals, may be made in favor of one or more individuals, but not exceeding four, either successively or simultaneously. Right of nominee arises only after the death of all A/c holder(s).

b) **Successive Nomination**: Individuals maintaining deposits, articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher in serial order, ensuring continuity in settlement and clarity of succession. Where the nomination is made successively in favor of more than one person, the nomination will be effective only in favor of one person in the order of priority as given below:

   i. Nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;
   ii. Nomination of the second nominee shall become effective only after the death of the first nominee;
   iii. Nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominee(s) whose names are placed higher in the order of nomination.

Where the order of nomination is not mentioned, person(s) shall be deemed to have been nominated in the order in which their names appear in the nomination form.

c) **Simultaneous Nomination**: Depositors may nominate up to four persons and specify the share or percentage of entitlement for each nominee, ensuring that the total equals 100 percent and enabling transparent distribution amongst all nominees. Where the nomination is made simultaneously in favor of more than one person, the nomination shall be effective in favor of all such persons in proportion to it is declared and the following terms and conditions will apply namely:

   i. The nomination will not be made in favor of more than four persons.
   ii. The nomination will explicitly state the proportion of amount of deposit in percentage in favor of each nominee.
   iii. The nomination will be made in respect of the whole amount of deposit.
   iv. If any nominee dies before receiving deposit from the bank, the nomination in respect of such nominee alone shall become ineffective and the amount of deposit purported to be nominated in favor of deceased nominee shall be treated as if nomination had not been made in respect of that portion of deposit. Accordingly, for that portion the claim should be settled in accordance with the bank's extant guidelines.

and any nomination which does not comply with any of the terms and conditions specified in clauses (i) to (iii), shall be invalid, as if nomination had not been made by the depositor or all the depositors together, as the case may be.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such deposit, where a nomination made in the prescribed manner purports to confer on any person the right to receive the amount of the deposit from the bank, the nominee shall, on the death of the sale depositor or, as the case may be, on the death of all the depositors, become entitled to all the rights of the sole depositor or, as the case may be, of the .depositors, in relation to such deposit to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

### 2.2.2.3 BOGUS/ FICTITIOUS NOMINATION

Nomination which does not exist and/or are false and/or are not real although it is claimed to be real are Bogus/Fictitious Nomination. Nomination can be made in favour of individual(s) only and entering bogus/fictitious/wrong details of nominee w.r.t. deposit accounts and safe deposit lockers will be treated as non-adherence of bank guidelines.

### 2.2.3 EXTENSION OF ALTERNATE DELIVERY CHANNELS TO SAVING AND CURRENT ACCOUNT HOLDERS

The Bank offers choice of electronic channels to customers for conducting their Banking transactions as per Bank Policies issued from time to time. The choice of electronic channels includes ATM, Internet Banking, mobile Banking including SMS Banking facility and phone Banking. Wherever such electronic facilities are offered as a part of the basic account/product, Bank will obtain specific consent of the customers after explaining the risk associated for availing the facility.

### 2.2.4 INTEREST PAYMENTS

Interest shall be paid on savings Bank account at the rate as decided by Bank within the general guidelines issued by the RBI directive from time to time. Further, in terms of RBI Master Direction DBR. Dir. No.84/13.03.00/2015-16 dated 03.03.2016 (updated on 26.10.2023), the interest on domestic rupee savings deposit accounts shall be calculated on the daily product basis at quarterly or shorter intervals.

Term deposit interest rates are decided by the Bank within the general guidelines issued by the Reserve Bank of India from time to time. The rates shall be uniform across all branches and for all customers and there shall be no discrimination in the matter of interest paid on the deposits, between one deposit and another of similar amount, accepted on the same date, at any of its offices. The rates shall not be subject to negotiation between the depositors and the bank. Further, in terms of RBI directives, Interest is calculated at quarterly intervals on term deposits and paid at the rate decided by the Bank depending upon the period of deposits. Interest on deposits repayable for less than 3 months or where the terminal quarter is incomplete, interest shall be paid proportionately for the actual number of days reckoning the year at 365 days. In case of monthly deposit scheme, the interest shall be calculated for the quarter and paid monthly at discounted value. The rate of interest on deposits will be prominently displayed in the branch premises. Changes, if any, with regard to deposit schemes and other related services shall also be communicated upfront and shall be prominently displayed.

The Bank has statutory obligation to deduct tax at source if total interest paid/ payable on all term deposits held by a person exceed the amount specified under the Income Tax Act. The Bank will issue a tax deduction certificate (TDS Certificate)for the amount of tax deducted. The depositor, if entitled to exemption from TDS, can submit declaration in the prescribed format at the beginning of every financialyear.

a) **Interest on overdue Domestic Deposits:** If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the Bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

### 2.2.5 CONSEQUENCE OF TRANSFER OF BRANCH OF ONE COMMERCIAL BANK TO ANOTHER COMMERCIAL BANK

a) Deposit accounts transferred from one bank branch to another bank branch on account of takeover of bank branches in rural and semi-urban centers shall adhere to the following conditions:

b) Deposit accounts shall deemed to be transferred to the new bank and will continue to be governed by the terms of contract agreed to between the customer and the bank branch that is being taken over.

c) The same rate of interest shall be payable till maturity on such transferred deposits, as was payable at the time of takeover of the branch.

### 2.2.6 MINORS’ ACCOUNTS

Minors of any age are allowed to open and operate savings and term deposit accounts through his/ her natural or legal guardian. They are also allowed to open such accounts with mother as guardian in terms of RBI’s Circular regarding Opening of Bank Accounts in the Names of Minors with Mothers as Guardians. The accounts of minors belonging to minority communities may be opened under the guardianship of the mother, subject to compliance with the RBI guidelines, which states that if the idea underlining the demand for allowing mothers to be treated as guardians relates only to the opening of fixed and savings bank accounts, there would seem to be no difficulty in meeting the requirements as, notwithstanding the legal provisions, such accounts could be opened by banks provided they take adequate safeguards in allowing operations in the accounts by ensuring that the minors' accounts opened with mothers as guardians are not allowed to be overdrawn and that they always remain in credit.

Accordingly, branches are instructed to allow minors' accounts (fixed and savings only) with mothers as guardians to be opened, whenever such requests are received by them, subject to the safeguards mentioned above.

### 2.2.7 ACCOUNT OF ILLITERATE PERSON

The Bank may at its discretion open deposit accounts other than Current Accounts of an illiterate person. The account of such person may be opened provided he/she calls on the Bank personally along with witness who is known to both the depositor and the Bank. Normally, no cheque book facility is provided for such Savings Bank Account. At the time of withdrawal/repayment of deposit amount and/or interest, the account holder should affix his / her thumb impression or mark in the presence of the authorized officer who should verify the identity of the person. The Bank will explain the need for proper care and safe keeping of the passbook, etc., given to the account holder. The Bank official shall explain the terms and conditions governing the account to the illiterate person.

### 2.2.8 BANKING FACILITIES TO VISUALLY CHALLENGED PERSON

The bank will provide facilities for opening Savings Bank accounts and Term Deposit accounts for individuals with visual impairments (Singly or under survivorship clause). These accounts will be operated personally by the account holders. To carry out transactions, account holders must be present before the branch official, affix their thumb impression. They will be identified through their photograph to facilitate operations.

All the banking facilities such as cheque book facility including third party cheques, ATM facility, Net banking facility, locker facility, credit cards etc., are offered to the visually challenged without any discrimination. They shall also be assisted in withdrawal of cash. Branches are advised to render all possible assistance to the visually challenged for availing the various banking facilities.

### 2.2.9 ACCOUNT OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION & MULTIPLE DISABILITIES

Savings Bank and term deposits can also be opened in the name of persons with autism, cerebral palsy, mental retardation and multiple disabilities by the legal guardian appointed by the District Court under Mental Health Act, 1987 or by the Local Level Committees set up under the National Trust for welfare of persons with autism, cerebral palsy, mental retardation and multiple disabilities under Disabilities Act, 1999. Legal guardian, so appointed, will furnish an indemnity-cum-undertaking bond duly stamped as per the local law in force along with Guardianship Certificate.

### 2.2.10 ADDITION OR DELETION OF THE NAME/S OF JOINT ACCOUNT HOLDERS

The Bank may at the request of all the joint account holders allow addition or deletion of name/s of joint account holder/s if the circumstances so warrant or allow an individual depositor to add the name of another person as a joint account holder.

### 2.2.11 RIGHTS OF DEPOSITORS:

a) <u>Customer Information</u>
The customer information collected from the customers shall not be used for cross selling of services or products by the Bank, its subsidiaries and affiliates. If the Bank proposes to use such information, it should be strictly with the consent of the account holder.

b) <u>Secrecy of Customer's Accounts</u>
The Bank shall not disclose details/particulars of the customer's account to a third

person or party without the expressed or implied consent from the customer. However, there are some exceptions, viz. disclosure of information under compulsion of law, where there is a duty to public to disclose and where interest of the Bank requires disclosure.

c) Insurance Cover for Deposits
All Bank deposits are covered under the insurance scheme offered by the Deposit Insurance and Credit Guarantee Corporation of India (DICGC). The details of the insurance cover in force will be made available to the depositor.

Bank while offering deposit products linked to insurance benefits will give choice to the customer for availing the insurance benefit and will explicitly specify the insurance cost if the depositor opts for insurance cover.

d) Redressal Of Complaints and Grievances
Depositor having any complaint/grievance with regard to services rendered by the Bank has a right to approach authority (ies) designated by the Bank for handling customer complaint/grievances. The details of the internal set up for redressal of complaints/grievances will be displayed in the branch premises. The branch officials shall provide all required information regarding procedure for lodging the complaint. In case the depositor does not get response from the Bank within 30 days from date of complaint or he is not satisfied with the response received from the Bank, he has a right to approach Banking Ombudsman appointed by the Reserve Bank of India.

e) Right To Fair Treatment

Right to Fair Treatment Act fairly and reasonably in all our dealings by:

i. Providing banking facilities of receipt and payment of cash / cheques, remittances, exchange of soiled notes, etc., at the Bank's counter and also providing cashless transactions through alternate delivery channels.
ii. Meeting the commitments and standards, for the products and services offered, and in the procedures and practices followed.
iii. Making sure our products and services meet relevant laws and regulations in letter and spirit and are appropriate to the needs and in line with the banking scenario, including digital banking.
iv. Ensuring that our dealings rest on ethical principles of integrity and transparency.
v. Offering digital banking and payment systems in a secure, convenient and robust technological environment.
vi. Not discriminating on the basis of age, race, gender, marital status, religion, disability or financial status when offering and delivering products and services.
vii. Promoting good and fair banking practices by setting minimum standards in all dealings.
viii. Promoting a fair and equitable relationship. Training of staff adequately and

appropriately and ensuring that staff attend promptly, courteously and sympathetically, with things that may go wrong, by correcting mistakes and handling complaints expeditiously.

## 2.2.12 LEVY OF NON-CREDIT RELATED SERVICE CHARGES PERTAINING TO GENERAL BANKING

### 2.2.12.1. Fixing Service Charges by Bank

a) Bank ensures that fees and service charges for various services are approved by committee, duly authorized by the Board to take decisions in this regard and that they would be reasonable and non-discriminatory for similar class of customers.

b) The Bank shall disclose applicable penalties for non-compliance with the terms governing its products and services. For Saving and Current Accounts, customers are required to maintain the minimum balance stipulated by the Bank, and failure to do so will attract charges as per the prevailing schedule.

c) Bank also levy charges for services such as Cash Handling Charges, Cheque book issuance and collection charges, Folio maintenance, account closure etc.

d) All charges are applied in accordance with the Bank's published schedule of fees, which is subject to revision from time to time.

e) Bank has ensured that the prescribed service charges are reasonable and are not out of line with the average cost of providing these services. Further, bank also take care to ensure that customers with low volume of activities are not penalized.

### 2.2.12.2. Principles for ensuring reasonableness in fixing and communicating non-credit related service charges

a) For basic services to individuals, bank shall levy charges at the rates that are lower than the rates applied when the same services are given to non-individuals.

b) For basic services rendered to special category of individuals (such as individuals in rural areas, pensioners, and senior citizens), bank shall levy charges on more liberal terms than the terms on which the charges are levied to other individuals.

c) For basic services to individuals, bank shall levy charges only if charges are just and supported by reason.

d) For basic services to individuals, bank shall levy services charges ad-valorem only to cover any incremental cost and subject to a cap.

e) Bank shall provide to the individual customers upfront and in a timely manner, complete information on the charges applicable to all basic services.

f) Bank shall provide advance information to the individual customers about the proposed changes in the service charges.

g) Bank shall collect charges for services given to individuals only if such charges have been notified to the customer.

h) Bank shall inform the customers in an appropriate manner recovery of service charges from the account or the transaction.

i) Bank shall without fail inform the customers in all cases when a transaction initiated by the bank itself results in or is likely to lead to a shortfall in the minimum balance required to be maintained.

### 2.2.12.3. Disclosure and Notification of non-credit related Service Charges

It is imperative that the customers are made aware of the service charges upfront and the changes in service charges are implemented only with prior notice to the customers. The following shall be followed in this regard:

**a) Disclosure of non-credit related Service Charges:**

i. Bank shall communicate the service charges to new customers at the time of beginning of the relationship.
ii. Service charges shall be displayed in the notice board at the branch so as to disseminate information to the customers/ public in addition to display on the website.
iii. Bank shall put in place appropriate methods for communicating the service charges to customers of different profiles.

**b) Notifying the changes effected in non-credit related service charges**

i. Any change in the service charges shall be effected only with prior notification to the customers of at least 30 days. Further, if the bank has made any change without giving notice which is favorable to the customer, it will notify the change within 30 days of such change. If the change is adverse to the customer, prior notice of minimum 30 days will be provided.
ii. Customers shall be given an option to accept the change and if not accepted, to exit from the relationship with the bank within the above 30 days without any cost. However existing charges payable by the customers if any, shall be levied as per bank norms.
iii. Bank at its discretion may advertise the changes in service charges in newspapers apart from including the information regarding the changes in any communication sent to the customer.

Bank shall prominently display in the notice board as well as on the website, all the changes in service charges effected in the preceding 30 days.

### 2.2.13 PREMATURE WITHDRAWAL OF TERM DEPOSIT

The Bank, on a request from the depositor, at its discretion may allow withdrawal of term deposit before completion of the period of the deposit agreed up on at the time of placing the deposit. The Bank shall make depositors aware of the applicable rate along with the deposit rate. The Bank shall declare their penal interest rates policy for premature withdrawal of term deposit.

### 2.2.14 PREMATURE RENEWAL (EXTENSION) OF TERM DEPOSIT

In case the depositor desires to renew the deposit by seeking premature closure of an existing term deposit account, the Bank will permit the renewal at the applicable rate on the date of renewal, provided the deposit is renewed for a period longer than the balance period of the original deposit. While prematurely closing a deposit for the purpose of renewal, interest on the deposit for the period it has remained with the Bank will be paid at the rate applicable on the date of deposit to the period for which the deposit remained with the Bank and not at the contracted rate. Further, the Bank may levy penalty for pre-mature closure of an existing deposit at such rates as may be decided by the Bank from time to time.

In case of splitting of the amount of term deposit at the request from the claimant(s) of deceased depositors or joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

### 2.2.15 RENEWAL OF TERM DEPOSITS/ OVERDUE TERM DEPOSITS

Depositors can give instruction at the time of opening the account for crediting the maturity proceeds to their account or for renewal of the deposit for the period and amount of their choice. Terms and conditions of renewal including interest rates shall be notified to the customer at the time of acceptance of deposit. Wherever such instructions are not obtained, the bank shall send intimation to the customers through SMS about due date of maturity in advance in order to extend better customer service.

Further, if a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

### 2.2.16 ADVANCE AGAINST DEPOSITS

The Bank may consider request of the depositor/s for loan / overdraft facility against term deposits after execution of necessary security documents. The Bank will also consider a loan against a deposit standing in the name of minor. However, a suitable declaration stating that the loan is for the benefit of Minor is to be furnished by the depositor – applicant.

### 2.2.17 SETTLEMENT OF DUES IN DECEASED DEPOSITOR'S ACCOUNT

Bank will follow a simplified procedure for settlement of accounts of deceased account holders.

In case of deposit accounts and lockers having nomination/survivorship mandate, the claim in respect of the deceased customer should be settled and payment to the nominee / survivor(s) should be released 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 deceased customer and suitable identification of the claimant(s) to the satisfaction of the branch manager; and in the case of deposit accounts and lockers without survivorship mandate / nomination, the claim should be settled, in accordance with the bank's guidelines, within one month from the date on which the requisite documents are submitted. The guidelines on Settlement of Claims Pertaining to Deceased / Missing Customers of the Bank in Respect of their Deposits, Lockers and Articles in Safe Custody shall be governed by circulars issued by HO: Law Division from time to time.

### 2.2.18 INTEREST PAYABLE ON TERM DEPOSIT IN DECEASED DEPOSITOR'S ACCOUNT

In the event of the death of the depositor before the date of maturity of the deposit and amount of the deposit is claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the Bank shall pay simple interest at savings account interest rate or the contracted rate of interest on the matured TD, whichever is lower from the date of maturity till the date of payment. If the amount of deposit is claimed before the date of maturity, interest at the rate applicable to the period for which the deposit has remained with the Bank will be paid.

However, in the case of death of the depositor after the date of maturity of the deposit, interest shall be paid at the contracted rate till the date of maturity and the Bank shall pay interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower from the date of maturity till the date of payment.

### 2.2.19 INOPERATIVE/ DORMANT ACCOUNTS

A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years. In case any response is received from the account holder giving the reasons for not operating the account, the same shall be continued to be classified as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, bank shall classify the said account as inoperative account after the expiry of the extended period.

A deposit account would be treated as unclaimed if it is inoperative for 10 years or more. All unclaimed deposits outstanding for 10 years & above are being reported to Reserve Bank of India in compliance with Section 26 of Banking Regulation Act.

The depositor can request the Bank to activate the account for operating it after complying with the conditions as per KYC norms.

### 2.2.20 ACCOUNTS OF TRANSGENDER PERSONS

In case of a person claiming to be transgender and needs to open account or to do any Banking transaction, the person will be recognized as "Third Gender" and the details shall be accepted in the AOFs/ or other applicable forms as such. The salutation of such person shall be "Mx.".
All transgender customers shall be treated equally with other male/ female customers without any discrimination.

### 2.2.21 PASSBOOK/STATEMENT OF ACCOUNT

Banks invariably provides passbook facility to all individual savings bank account holders (also under survivorship clause). In addition, upon a customer's request, monthly account statements may be issued either in physical or digital form. A statement of account will be provided by the Bank to Savings Bank as well as Current Deposit Account holders periodically as per terms and conditions of opening of the account. No charges shall be levied for the initial issuance of a passbook or statements. Likewise, a new passbook issued due to exhaustion of the existing one shall also be provided free of cost. Inspecting officials will conduct sample checks during internal branch inspections to ensure that customer-requested statements are being dispatched or delivered in a timely manner.

### 2.2.22 CHEQUE BOOK

Cheque books, whether personalized or non-personalized, may be issued to CASA account holders provided they are fully KYC compliant. Applications can be submitted by the depositor personally or through an authorized messenger, using either the requisition slip from the previously issued cheque book or plain paper. For non-personalized cheque books, the account number must be printed on each leaf at the time of issuance to minimize risk, and customers should confirm that the cheque serial numbers correspond with those indicated on the cover and that the branch name is correctly printed. Cheque books must be stored securely, with depositors ensuring that no unauthorized person uses them, and debit transactions initiated by customers may only be processed against cheques issued from their own account.

### 2.2.23 STOP PAYMENT FACILITY

Bank will accept stop payment instructions from the depositors in respect of cheques issued by them in Current/Saving Accounts subject to applicable charges.

### 2.2.24 PROHIBITION ON ACCEPTANCE OF DEPOSITS AT THE INSTANCE OF PRIVATE FINANCIERS/ UNINCORPORATED BODIES

Branches shall not accept deposits at the instance of private financiers/ unincorporated bodies under any arrangement which provides for either the issue of deposit receipts favoring the clients of private financiers or the giving of authority by power of attorney, nomination or otherwise for such clients to receive such deposits at maturity.

### 2.2.25 PROHIBITION ON ASSOCIATION WITH PRIZE CHIT SCHEMES AND SALE OF LOTTERY TICKETS

Pursuant to the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 which bans the promotion and conduct of prize-chit schemes and also provides for deterrent penalties for those who are guilty of breach of the provisions thereof, bank desist from participating or associating in such prize-chit schemes floated by any of the non-banking financial institutions in any form.

### 2.2.26 ANNUAL SURVEY OF DEPOSITOR SATISFACTION

Bank's primary business is receiving funds from Depositors. Depositors can be individuals and households, financial and non-financial firms, or national and local governments. Depositor satisfaction is very important for a sustainable growth of Banking Business. Bank shall conduct annual survey of Depositors satisfaction for taking feedback of products and services and provide the services as per their requirement. Triennial audit of Depositors satisfaction survey shall be conducted to establish the sanctity of survey.

### 2.2.27 DISCLOSURE OF THE POLICY

For the publicity of the policy, the same shall be prominently placed on bank's corporate website and shall also be displayed in notice board of the branches through digital QR code, website link etc. Further customer shall be informed of the changes in the policy from time to time through banks website. The customers shall be apprised of the assurances of the bank on the services provided, at the time of establishment of the initial relationship as a depositor.

### 2.2.28 OWNERSHIP OF THE POLICY:

Business Acquisition & Relationship Management Division will be the owner division of the policy.

### 2.2.29 VALIDITY AND REVIEW OF THE POLICY

The policy shall remain valid for twelve (12) months from the date of approval by the Board and shall be subject to annual review.

Further, ORMC shall be authorized to:

a) to incorporate any changes necessitated in the policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy which will be deemed to be a part and parcel of the policy; and
b) extend validity of the Policy (Part I) for a period up to three (3) months and the Board will be informed of such extension subsequently at the time of annual review.

### 2.2.30 AUTHORITY FOR APPROVING OPERATIONAL GUIDELINES

Authority for operational guidelines is Operational Risk Management Committee.

### 2.2.31 REPORTING

NIL

### 2.2.32 RELAXATION/DEVIATIONS/ EXCLUSIONS

NIL

**(Part II-Operational Guidelines)**

# OPERATIONAL GUIDELINES FOR POLICY OF THE BANK FOR DOMESTIC RESIDENT RUPEE DEPOSITS

**Division** : **Business Acquisition & Relationship Management Division**

**Version** : 2026_BA&RM_1.0

## Guidelines Custodian

| | |
|---|---|
| **Division** | Business Acquisition & Relationship Management Division |
| **Officer in-charge** | Divisional Head |
| **Guidelines Contact** | barm.sf@pnb.bank.in, barm.ca@pnb.bank.in |

# Guidelines Version Control

| S. No. | Version Number | Version Date | Summary of changes |
|---|---|---|---|
| 1 | 1 | 01.04.23 | NIL |
| 2 | 2024_BA&RM_1.0 | February 2024 | Clause 2.2.2.1- Minimum Balance Requirement-Paragraph has been shifted from Minimum Balance Requirement to Miscellaneous. |
| | | | Point no. 13 vi-New addition- Drawing of Cheques- No changes/corrections can be carried out on the cheques (other than for date validation purposes, if required). |
| | | | Point 11.i. 50 debit transactions (except debit transaction done through alternate delivery channels, sweep and standing instruction transaction) in a financial year –Free. Beyond 50 debit transaction – Rs. 10 per transaction. |
| | | | Point 11.iv-New addition-Savings Account – Withdrawal of Money Payments beyond Rs. 50,000/- on withdrawal slip be permitted by the incumbent. |
| | | | Point 3.1 Term Deposit - Size of Deposits – The definition of Retail (Core) deposits & Wholesale Term Deposit have been updated as per Policy for Interest Rate on Deposits |
| | | | Point - 31.a) Deposit-Premature Withdrawal of Fixed Deposit- 1% penal interest to be charged at the time of premature cancellation/part withdrawal of domestic term deposits for all tenors and interest rate payable shall be interest rate applicable to the amount & period for which the deposit remained with the bank minus 1.00% and not at the contracted rate. |
| | | | Point 37 c - Paragraph updated and auto renewal of domestic term deposit on maturity where the customer has not opted for auto renewal |

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|---|---|---|---|
| | | | Replaced ‘Deposit Receipt’ with ‘Deposit Receipt’ |
| 3. | 2025_BA&RM_1.0 | June 2025 | Point 1 d – Paragraph modified and added |
| | | | Point 2 – Paragraph Modified |
| | | | Point 2 – Paragraph Added - Jointly Operated Accounts |
| | | | Point 2 – Paragraph Replaced at Operational Guidelines of Term Deposit – Premature Withdrawal at Point No. 31 (i). |
| | | | Point 4 – Paragraph Modified |
| | | | Point 5 Paragraph Modified<br>Settlement of Dues in Deceased Depositor's Account |
| | | | Point 7 Paragraph Modified<br>Annual survey of depositor satisfaction |
| | | | Point 8 Modified<br>Tri-ennial audit of services |
| | | | Point 2 of Operational Guidelines Current Account modified - Interest |
| | | | Point 11 (e) of Operational Guidelines Current Account modified - Closing of Accounts |
| | | | Point No. 14 (i) of Operational Guidelines Current Account has been deleted. |
| | | | Point 1 (b) & (c) of Operational Guidelines Saving Account has been modified & (d) has been deleted - Eligibility |
| | | | Point 2 (e) of Operational Guidelines Saving Account has been added - Minimum Balance Requirement |
| | | | Point 6 of Operational Guidelines Saving Account has been modified |
| | | | Point 9 (iii) of Operational Guidelines Saving Account has been modified and (iv) has been added |

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| | | | Point 13 of Operational Guidelines Saving Account has been modified - Inter Sol Transactions |
| | | | Point 16 of Operational Guidelines Saving Account has been modified |
| | | | Operational Guidelines Term Deposit has been modified |
| | | | Point 1 (d) of Operational Guidelines Term Deposit has been modified and 1 (e) & (g) has been added |
| | | | Point 2 (b) & (m) of Operational Guidelines Term Deposit has been modified |
| | | | Point 3 of Operational Guidelines Term Deposit has been modified - Classification of Deposits accepted under Term Deposit schemes |
| | | | Point 11 of Operational Guidelines Term Deposit has been modified - Accounts in the names of Minor |
| | | | Point 16 (a) of Operational Guidelines Term Deposit has been modified - Payment of Interest on Accounts Frozen By Banks |
| | | | The term 'Confirmation of Deposit' has been restored in place of 'Deposit Receipt' and accordingly the same will be updated in the Policy Document at applicable paragraphs. |
| | | | Point 22 (a) & (b) of Operational Guidelines Term Deposit has been modified |
| | | | Point 29 (a) of Operational Guidelines Term Deposit has been modified - Payment of Interest on Non-Renewal of Overdue Term Deposit |
| | | | Point 30 (b) of Operational Guidelines Term Deposit has been modified |
| | | | Point 31 (a) of Operational Guidelines Term Deposit has been modified & (c),(g),(h) & (i) have been added |

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|---|---|---|---|
| | | | Point 39 of Operational Guidelines Term Deposit has been modified |
| | | | Sub Points of Point 41 of Operational Guidelines Term Deposit has been modified & added |
| 4. | 2026_BA&RM_1.0 | March 2026 | Addition of Point No. (k) under Para 1. Account Opening and Operation of Deposit Accounts- Common Guidelines |
| | | | Addition & Modification under Para 2 - Operation of Account |
| | | | Addition of Point under Para 2 (a) - Operation of Account – Either or Survivor |
| | | | Addition of Para 2 (f)- Operation of Account-HUF |
| | | | Modification of Para 5- Banking facilities to Visually Challenged Person |
| | | | Addition of Para 6- Banking Facilities for Senior Citizens and Differently Abled Persons |
| | | | Addition of Para 7- Accounts of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 |
| | | | Addition of Para 8- Nomination – General Guidelines |
| | | | Addition of Para 10- Levy of non-credit related Service Charges pertaining to General Banking |
| | | | Addition of Para 11- Suo moto Refund of Non-Credit related Service Charges |
| | | | Modification of Para 13- Transfer of account from one branch to another |
| | | | Addition of Para 14- Prohibition on Acceptance of Deposits at the Instance of Private Financiers/ Unincorporated Bodies |
| | | | Addition of Para 15- Prohibition on Association with Prize Chit Schemes and Sale of Lottery Tickets |

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|---|---|---|---|
| | | | Addition of Para 16- Switching banks by Customers |
| | | | Addition of Para 2.1. (i) under Prohibition – Operation Guidelines Saving Accounts |
| | | | Modification in Para 2 (p) & (q)- Recurring Deposit- Operational Guidelines Term Deposit |
| | | | Addition of Para 4.3- Mandate for mode of Operation- Operational Guidelines Term Deposit |
| | | | Addition of Para 13 (q)- Application and Checking of Interest Paid on Deposits- Operational Guidelines Term Deposit |
| | | | Addition of Para 20 - Delegated power to Allow Splitting of Deposits- Operational Guidelines Term Deposit |
| | | | Modification in Para 28 (j)- Premature Withdrawal of Fixed Deposit- Operational Guidelines Term Deposit |
| | | | Modification in Para 35 (b)- Delegation of Powers for Issue of Term Deposits from Retrospective Effect- Operational Guidelines Term Deposit |
| | | | Addition of Para 41(a) & (v) under Miscellaneous- Operational Guidelines Term Deposit |

# Guidelines Governance

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|---|---|
| **Frequency Of Review** | Annual |
| **Last reviewed on** | 27.06.2025 |
| **Approval Path** | ORMC |
| **Supersedes** | BA&RM (Deposit & Marketing ) Circular no. 35/2025, dated 24.07.2025, Policy of the Bank for Domestic Rupee Resident Deposits |

# I. ACCOUNT OPENING AND OPERATION OF DEPOSIT ACCOUNTS – COMMON GUIDELINES

## 1. ACCOUNT OPENING:

a) The account opening forms and other material would be provided to the prospective depositor by the Bank. The same will contain details of information to be furnished and documents to be produced for verification and/or for record. It is expected of the Bank official opening the account to explain the procedural formalities and provide necessary clarification sought by the prospective depositor when he approaches for opening a deposit account.

b) The due diligence process, while opening a deposit account will involve satisfying about the identity of the person, verification of address, satisfying about his occupation and source of income. Obtaining introduction (if required) of the prospective depositor from a person acceptable to the Bank and obtaining recent photograph of the person/s opening/operating the account are part of due diligence process. The KYC and due diligence process will be followed as per Policy for Know Your Customer issued by Bank/RBI from time to time.

c) In addition to the due diligence requirement under KYC norm, the Bank is required to obtain Permanent Account Number (PAN) or alternatively declaration in Form No. 60 or 61 as specified under the Income Tax Act and PMLA Rules amended vide notification dated 1st June 2017 and subsequent amendments.

d) For opening of accounts of Government Departments, in addition to KYC documents of the operating authorized officials of the office, the following documents should be obtained while opening of account: -

   (i) A letter from the official of the office/ deptt. authorized to open the account through notification/gazette/authority letter etc.

   (ii) ID Card issued by the concern deptt. of the official authorized to open and operate the account.

   (iii) Recent photograph, signature, and other particulars of authorized officials to operate the account i.e. Name. Employee No. / Identity Card No, Designation, Office address, Permanent address, Correspondence address, Mobile No., duly attested by a Gazetted Officer. (Verification of authenticity of documents be ensured).

e) Deposit accounts can be opened by an individual in his own name (known as account in single name) or by more than one individual in their own names (known as Joint Account). Minors of any age are allowed to open and operate savings and term deposit accounts through his/ her natural or legal guardian. They are also allowed to open such accounts with mother as guardian.

f) Debit card- Bank will issue Debit cards to customers having Saving Bank/Current Accounts. Bank may charge on debit card transactions within stipulated benchmark as per Debit Card Policy of the Bank and Bank guidelines issued from time to time.

g) Mobile and Internet Banking- Bank has formulated Policy for Mobile Banking and Internet Banking which governs the use of PNB's Mobile Banking and Internet Banking services for the customers of Bank.

h) The regulatory guidelines require Bank to categorize customers based on risk perception and prepare profiles of customers for the purpose of transaction monitoring. Inability or unwillingness of a prospective customer to provide necessary information/details could result in the Bank not opening an account.

i) Inability of an existing customer to furnish details required by the Bank to fulfil statutory obligations could also result in closure of the account after due notice(s) is provided to the customer.

j) Charges for deposit products like Savings Bank Account and Current Deposit Account are discussed in this policy at Levy of Non-Credit related Service Charges pertaining to General Banking.

k) All transactions, including payment of interest on deposits should be rounded off to the nearest rupee i.e., fractions of 50 paise and above shall be rounded off to the next higher rupee and fraction of less than 50 paise shall not be accounted for.

l) The guidelines regarding inter-sol transaction in Saving and Current Account shall continue to be governed by HO: General Banking Division.

## 2. OPERATION OF ACCOUNT

Accounts with survivorship clause means joint deposit accounts styled as 'either or survivor', or 'anyone or survivor', or 'former or survivor' or 'latter or survivor' or any other such clause. For opening Deposit Accounts under survivorship clause or jointly, details of all account holders, including power of attorney holders, letter of authority holders, and authorized signatories, must be captured and verified by a checking official, with obsolete instructions duly deleted. All joint depositors must sign the account opening form, and operations will follow the mandate provided therein; if rescinded by any depositor(s), withdrawals require authorization from all. In accounts with survivorship clauses such as "either or survivor," the surviving holder(s) will receive the balance without reference to heirs. For Term Deposits, the prescribed Account Opening Form must be obtained and retained, and depositors must be clearly informed of operational clauses like "E or S," "F or S," or "Jointly," with the chosen mandate recorded and strictly followed. Such accounts may be operated singly or jointly as per mandate, which can only be modified with consent of all holders. Additionally, minors aged 10 years and above may independently open and operate Savings or Term Deposit accounts, with such terms conveyed through a declaration in the Account Opening Form. The joint account holders can give any of the following mandates for the disposal of balance in the above accounts:

a) **Either or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to either of account holders, i.e., A or B, on date of maturity or to the survivor on death of any one of the account holders. However, the signatures of both the depositors may have to be obtained, in case term deposit is to be paid beforematurity. If the operating instruction is 'Either or Survivor' and one of the depositors expires before the maturity, no prepayment of the term deposit may be allowed without the concurrence of the legal heirs of the deceased joint holder. This however would not stand in the way of making payment to the survivor on maturity.

b) **Anyone or Survivor:** If the account is in the name of two or more individuals say, A, B & C, the final balance along with interest, if applicable, will be paid to any of account holders, i.e., A or B or C, on the date of maturity. On the death of any one of account holder say A, the final balance along with interest, if applicable, will be paid to any two of the surviving account holders, i.e., B or C. On the death of any two of account holder say A and B, the final balance along with interest if applicable, will be paid to surviving account holder, i.e., C.

c) **Former or Survivor:** In case the mandate is 'Former or Survivor', the 'Former' alone can operate/withdraw the matured amount of the fixed/term deposit, when both the depositors are alive. However, the signature of both the depositors may have to be obtained, in case the deposit is to be paid before maturity. If the former expires before the maturity of the fixed/term deposit, the 'Survivor' can withdraw the deposit on maturity. Premature withdrawal would however require the consent of both the parties, when both of them are alive, and that of the surviving depositor and the legal heirs of the deceased in case of death of one of the depositors.

d) **Later or Survivor:** If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid to the later, i.e., B, on date of maturity and to the survivor on death of anyone of the account holders.

e) **Jointly Operated Accounts**: If the account is in the name of two individuals say, A & B, the final balance along with interest, if applicable, will be paid in joint account of A & B or B & A with any mode of operation.

f) **HUF Accounts:** HUF account can be opened and operated by Karta. Further, Karta may delegate operational authority to any major co-parcener, to manage or operate the HUF account on their behalf. Accordingly, system level checks will be placed in CBS that in case of HUF accounts, Mode of operation can be either Karta of HUF or Authorized Major (adult) Co-Parcener only & Constitution code can be 010- H.U.F. only.

**g)** **Queer Community:** There are no restrictions for the persons of the Queer Community to open a joint bank account and also to nominate a person in queer relationship as a nominee to receive the balance in the account, in the event of death of the account holder.

The above mandates will be applicable to or become operational only on or after the date of maturity of term deposits. This mandate can be modified by the consent of all

the account holders. At the request of the depositor, the Bank will register mandate / power of attorney given by depositor authorizing another person to operate the account on his/her behalf.
The term deposit account holders at the time of placing their deposits can give instructions with regard to closure of deposit account or renewal of deposit for further period on the date of maturity.

## 3. SPECIMEN SIGNATURES

Specimen of a customer's signature will be obtained on the relative Account Opening Form and must be attested by the officer authorized to open the account, under his/her GBPA/PF number and date. The Authorized Officer shall also ensure that signatures must be scanned on daily basis. The signature scanning and retrieval shall be accurate and the verifications of signature shall be confirmed before payment of Term Deposits.

## 4. GUIDELINES OF MINORS

Minors of any age may be allowed to open and operate savings and term deposit accounts through his/ her natural or legal guardian. They may also be allowed to open such accounts with mother as guardian.

a) <u>Minors up to less than 10 years of age:</u> Account of minor may be opened by obtaining KYC of guardian and birth certificate of minor.

b) <u>Minors of 10 years of age and above:</u>
   i. If account is opened under guardianship with natural/ legal guardian, account may be opened by obtaining KYC of guardian and birth certificate of minor.
   ii. Minors of 10 years of age and above can open and operate savings/ term deposit accounts independently, if they so desire. In such case KYC of guardian and minor should be obtained.

c) Guardian's KYC and recording of the same in CBS is mandatory.

d) On attaining the age of majority, fresh operating instructions and specimen signature of the account holder along with fresh photographs shall be obtained and at that time it shall be ensured that CDD documents as per the current CDD standards are available with the bank. Wherever required, bank may carry out fresh KYC of such customers and the same shall be kept on record. Moreover, if the account is operated by the guardian, the balance shall be got confirmed. The banks shall take advance action, including communicating these requirements to minor account holders attaining the age of majority, to ensure fulfilment of these requirements.

e) On attaining majority, the account should be inactive/freeze (debit freeze on T+1day basis) after giving prior information to the customer through SMS till the time customer converts the minor account to major with required formalities. In customized saving schemes for minors, account will be converted to respective scheme as per the guidelines.

f) Additional banking facilities like internet banking, ATM/ debit cards, cheque book facility, etc., may be given to the minor account holders through schematic saving product for minors after ascertaining risk, product suitability and customer appropriateness.

g) Accounts of minors, whether operated independently or through a guardian, are not allowed to be overdrawn and will always remain in credit balance.

h) The banks shall perform customer due diligence for opening of deposit accounts of minors and undertake ongoing due diligence, as per the provisions of Master Direction on Know Your Customer (KYC) Direction circulated by RBI from time to time.

## 5. BANKING FACILITIES TO VISUALLY CHALLENGED PERSON

a) Visually Challenged Persons will be properly introduced and both his/her signatures (if literate) and/or left/right hand thumb impression (if illiterate) will be taken in AOF, in the presence of an Officer authorized to open account. Further witnessed by a person (known to the bank) shall be obtained and attested by the officer concerned.

b) Wherever possible, mobile number and details of one or more identification marks of the depositor viz. mole or scar, should be recorded on the AOF, under authorization of the officer concerned.

c) The general rules and specific conditions governing such accounts, particularly in view of the depositor's physical infirmity, shall be clearly written on the reverse side of the AOF. These rules and conditions must be explained to the depositor in the presence of a witness. A suitable certificate from the witness, confirming that the explanation has been duly provided, shall be obtained and recorded at the appropriate place on the AOF.

d) In the case of Fixed Deposit accounts, any money accepted from such depositors shall be witnessed in writing by an independent person (not a bank employee). The depositor must also provide oral confirmation of the transaction. Similarly, when payment of such deposits is made, whether on the due date or prior to maturity, the same safeguards shall be observed to ensure transparency and security.

e) Proceeds of the confirmation of deposit(s) should be paid to the depositor, when he/she calls on the bank personally. An undertaking should be taken from the depositor at the time, of opening the account.

f) All standard rules and conditions governing Savings Bank and Term Deposit accounts shall apply to accounts of visually challenged customers, *mutatis mutandis*.

g) All banking facilities viz. cheque book issuance, ATM usage, internet banking, mobile banking, locker access, and other related services shall be made available to visually challenged customers without restriction, ensuring that they enjoy the same rights and conveniences as any other account holder.

h) Branches are advised to ensure that the facilities provided to sick/ old/ incapacitated persons by the bank regarding operations of accounts through identification of thumb/ toe impression/ mark by two independent witnesses and authorising a person who would withdraw the amount on behalf of such customers will also be extended to the visually impaired customers.

i) Facilities available for operation of bank accounts by Old/ Sick/ Incapacitated customers as conveyed by HO: CCC shall also be extended to Visually impaired customers.

## 6. BANKING FACILITIES FOR SENIOR CITIZENS AND DIFFERENTLY ABLED PERSONS

To provide hassle free banking services to senior citizens and differently abled customers, specific provisions has been made as under:

a) Dedicated counter (clearly identifiable) or priority service at a counter for senior citizens and differently abled persons, including those who are visually impaired shall be provided.

b) The Bank ensures that when a Life Certificate is submitted at any branch, including a non-home branch, it is promptly updated/uploaded in the CBS by the receiving branch itself to avoid any delay in pension credit.

c) A bank shall issue cheque books on requisition, by any other mode as per the bank's laid down policy including through a requisition slip which is part of the cheque book issued earlier. A bank shall provide minimum 25 cheque leaves every year, if requested, in savings bank account, free of charge. Further physical presence of any customer including senior citizens and differently abled persons shall not be insisted upon for getting cheque books. Providing such facility in BSBDA will not render the account to be classified as non-BSBDA.

d) A bank shall convert a fully KYC compliant account automatically into a 'Senior Citizen Account' based on the date of birth available in the bank's records.

e) Senior citizens and differently abled persons shall be provided Form 121 (previously 15G/H) once in a year (preferably in April) to enable them to submit the same, wherever applicable as per their request.

## 7. ACCOUNTS OF PERSONS WITH AUTISM, CEREBRAL PALSY, MENTAL RETARDATION AND MULTIPLE DISABILITIES ACT, 1999

**7.1. Legal Guardianship Certificate issued under National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999 -** In line with RBI directions, the following instructions shall be applicable for the purpose of opening/ operating bank accounts of the above persons:

a) The referred act provides a law relating to certain specified disabilities. Clause (j) of Section 2 of that Act defines a "person with disability" to mean a person suffering from any of the conditions relating to autism and/or cerebral palsy and/or mental retardation and includes a person suffering from severe multiple disabilities. This Act empowers a Local Level Committee to appoint a guardian, to a person with disabilities, who shall have the care of the person and property of the disabled person.

b) Bank shall take note of the legal position stated above and may rely on and be guided by the orders/ certificates issued by the competent authority, under the respective Acts, appointing guardians/ managers for the purposes of opening/ operating bank accounts. In case of doubt, care may be taken to obtain proper legal advice.

c) Further, the extant instructions are not intended to mandate banks to insist on appointment of a guardian as a matter of routine from every person "who is in need of treatment by reason of any mental disorder". Accordingly, producing of guardianship certificate shall not be insisted upon from all mentally ill persons and will seek appointment of a guardian only in such cases where they are convinced on their own or based on documentary evidence available, that the concerned person is mentally ill and is not able to enter into a valid and legally binding contract.

d) Branches are hereby advised to give proper guidance to the customers so that the guardians/ managers of the disabled persons do not face any difficulties in this regard.

Note:

a) Legal Guardian cannot be authorized to appoint a nominee for any bank account of a person with Autism, Cerebral Palsy, Mental Retardation & Multiple Disabilities. As per the provisions, Legal Guardian is always supposed to work in the interest of the person with such disabilities and no such interest can be served by way of nomination where the nominee gets the benefits after death of the person with disability.

b) Regarding the process for settlement of claim in case of death of the account holder in the absence of nomination, prevailing bank guidelines shall be applied.

c) In case of death of legal guardian, a new guardian may be appointed by the Local Level Committee under the provisions of the National Trust Act, 1999. In the interim period till the new guardian is appointed, operation in the bank account may be suspended.

**7.2. Display of Information regarding Local Level Committees set up under the National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act, 1999-** Branches are hereby advised to display in a conspicuous place in the local language and English/ Hindi (or both)-

a) essential details about the facilities under the enactment;

b) the fact that the parties can approach the Local Level Committees, for the purpose of issuance of the certificate and that the certificate issued under the Act is acceptable; and

**c)** the details of the Local Level Committees in that area

## 8. NOMINATION

### 8.1. General Guidelines

a) The nomination shall be made either in the Nomination Form (PNB 1386) or the electronic mode* or digital mode* ("e-nomination"), i.e., through IBS/MBS.
b) The nomination shall be made only in respect of deposits which are held in the individual capacity of the depositor and not in any representative capacity as the holder of an office or otherwise.
c) Where the nominee is a minor, the depositor or, as the case may be, all the depositors together, may, while making the nomination, appoint another individual not being a minor, to receive the amount of the deposit on behalf of the nominee in the event of the death of the depositor or, as the case may be, all the depositors during the minority of the nominee.
d) In the case of a deposit made in the name of a minor, the nomination shall be made by an individual lawfully entitled to act on behalf of the minor.
e) The variation or cancellation of the previous nomination or e-nomination made by the depositor, or all the depositors together shall be through subsequent nomination or e-nomination.
f) Every subsequent nomination shall cancel the previous nomination, or vary it, as the case may be.
g) A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the deposit is held with bank to the credit of the

depositor or depositors, as the case may be. Further, making nomination, cancellation of nomination or variation of nomination is required to be witnessed by a third party if the account holder is illiterate.

h) In the case of a deposit held to the credit of more than one depositor, the cancellation or variation of a nomination shall not be valid unless it is made by all the depositors.

i) The duly completed Nomination Form or e-nomination* or subsequent cancellation or variation of nomination shall be registered in the books of bank, either physically or electronically.

j) Bank will acknowledge in writing or in electronic mode or digital mode, to the concerned depositor or depositors, the filing of the Nomination Form, or e-nomination* and also the fact of cancellation or variation of nomination.

k) A nomination or cancellation of nomination or variation of nomination shall not cease to be in force merely by reason of the renewal or overdue deposit.

l) If an individual, or a group of individuals, as the case may be, who has made a nomination in respect of a deposit, desires to have that nomination extended to his/her or their other accounts, a request may be made, it shall be treated as if a separate nomination has been made for each of those accounts.

m) If, by mistake or otherwise, a nomination is made in the Nomination Form in favor of more than four individuals, the names of the first four individuals appearing in the order, shall be recognized.

n) The nominee, in the event of death of the depositor/s, would receive the balance outstanding in the account as a trustee of the legal heirs.

### 8.2. Additional Guidelines

a) If an individual is keeping an account for their proprietorship business, it will be deemed as that individual's account and the nomination facility shall be offered in such accounts.

b) At the time of account opening, it will be explicitly informed to the prospective customers about the availability and purpose of the nomination facility and offer them the option to avail the same. It shall also be clearly explained to the prospective customer the advantages of the nomination facility, including but not limited to simplification of the claim process in the event of the account holder's demise and facilitation of smooth and prompt transfer of funds to the nominee without legal complications.

c) If the prospective customer chooses not to avail the nomination facility despite being fully informed, the deposit account will be opened without imposing any restrictions, if otherwise found eligible, after obtaining a written declaration from the individual confirming that they do not require the nomination facility at the time of account opening. If customer refuses to provide the written declaration, the branch shall record the fact of refusal to submit written confirmation in the account opening records.

d) Under no circumstances shall a prospective customer be denied or delayed in opening an account solely on the ground of refusal to make a nomination, provided all other requirements for account opening are satisfactorily met.

e) A bank cannot claim a valid discharge under the provisions of the Act if payments are made to individuals based on nomination made under any other law for specified purposes.
f) A bank shall verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them.
g) Acknowledgement will be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers.
h) Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, branch will inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form. Bank will verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them.
i) Bank will record the status regarding registration of nomination on the face of the Passbook/ Statement of Account and TDR with the legend "Nomination Registered". Bank will also indicate the name of the Nominee(s) in the Passbook/ Statement of Accounts and TDR in such cases.
j) Notice of claims of other persons regarding deposits not receivable by the bank unless a court decree/order is produced.
k) Bank shall give wide publicity and provide guidance to deposit account holders, locker hirers and depositors of articles in safe custody on the benefits of the nomination facility. This may include printing compatible messages on cheque book, passbook and other literature reaching the customers as well as launching periodical awareness drives.
l) Bank shall ensure that the form for opening deposit accounts, hiring safe deposit lockers and depositing articles in safe custody contains space for getting the details of nomination, which also serves the purpose of educating the customers about availability of such facility.
m) Payment by a bank in accordance with the provisions of this section shall constitute a full discharge to the bank of its liability in respect of the deposit.

## 9. SETTLEMENT OF DUES IN DECEASED DEPOSITOR'S ACCOUNT

If the depositor has registered a nomination with the Bank – the balance outstanding in the account of the deceased depositor will be transferred to the account of/ paid to the nominee after the Bank satisfies itself about the identity ofthe nominee, etc. The above procedure will be followed even in respect of a joint account where nomination is registered with the Bank.

a) In a joint deposit account when one of the joint account holders dies, the Bank is required to make payment jointly, to the legal heirs of the deceased person and the surviving depositor(s). However, if the joint holders had given mandates either at the time of placing fixed deposit or anytime subsequently during the term/tenure of the fixed deposit for disposal of the balance in the account in the forms such as either or survivor, former/ later or survivor, anyone or survivors or survivor, etc., the payment will be made as per the mandate to avoid delays in production of legal papers by the heirs of the deceased.

b) In the absence of nomination and when there are no disputes among the claimants, the Bank will pay the amount outstanding in the account of deceased person against joint application by all legal heirs or the person mandated by the legal heirs to receive the payment on their behalf without insisting on legal documents up to the limit approved by the Bank's board. This is to ensure that the common depositors are not put to hardship on account of delays in completing legal formalities. For the amount outstanding over the prescribed limit the necessary legal formalities as prescribed by the Bank from time to time need to be completed.

**All the claim cases of deposit accounts shall be governed by the guidelines issued by HO: Law Division.**

## 10. LEVY OF NON-CREDIT RELATED SERVICE CHARGES PERTAINING TO GENERAL BANKING

### 10.1. Reasonableness of Bank Charges

Bank follows the principles outlined below for ensuring reasonableness in fixing and communicating service charges.

Identification of Basic Banking Services shall be done on the following broad parameters

**a) Nature of transactions**

i. Banking services that are ordinarily availed by individuals in the middle and lower segments, shall be the first parameter. These will comprise services related to deposit accounts, remittance services and collection services.

ii. When the above transactions occur in different delivery channels, for the purpose of pricing, they may be treated on a separate footing

**b) Value of transactions**

i. Low value of transactions with customers/ public up to the ceiling as given below shall be the second parameter
   - Remittances up to ₹10,000 in each instance
   - Collections below ₹10,000 in each instance

Based on the above-mentioned two parameters, an illustrative list of services is given below:

Service relating to deposit accounts- Cheque book facility, Issue of Passbook (or Statement), Issue of Balance Certificate, Issue of duplicate passbook or statement, ATM Cards, Debit cards (electronic cheque), Stop payment, Balance enquiry, Account closure, Cheque Return – Inward (cheque received for payment), Signature verification

Remittance Facilities (including through other banks)- Demand Draft and Pay Orders – Issue, Cancellation, Revalidation, Duplicate Issuance, Payment by Electronic Clearing Services (ECS), Transfer by National Electronic Fund Transfer (NEFT) and Electronic Funds Transfer (EFT)

Collection facilities- Collection of Local and Outstation cheques, Cheque Return- Outward (cheque deposited for collection)

### 10.2. Offering basic banking services outside the scope of bundled products

Basic banking services shall be made available at reasonable prices/ charges and towards this, basic services shall be delivered outside the scope of bundled products.

### 10.3. Financial Education

Bank shall disclose full-fledged information on its products and their implications to the customers to help customers make an informed judgment about their choice of products.

### 10.4. Intersol Charges

Bank follows a uniform, fair and transparent pricing policy and not discriminate between its customers at home branch and non-home branches. A service provided free at home branch are also available free at non-home branches also. Accordingly, there is no discrimination as regard to Intersol Charges between similar transactions done by customers at home branch and those done at non-home branches. Further, cash handling charges are not included under Intersol Charges.

### 10.5. Charges for Sending SMS Alerts

Charges levied by bank for sending SMS alerts to customers are levied on all customers on actual usage basis.

## 11. SUO MOTO REFUND OF NON-CREDIT RELATED SERVICE CHARGES

Non-Credit related service charges, which were not payable by the customers, but have been charged by the bank due to operational/ technical error will be refunded Suo moto whenever the same will come to the notice of bank. Powers to be delegated for approval of reversal of such charges are as under:

| Amount | Competent Authority |
|---|---|
| Upto ₹5 lakhs<br>(per instance per day) | CGM: BA&RM<br>(GM: BA&RM- Deposits in absence of the CGM) |
| Above ₹5 lakhs | *CGM Level HO Committee for Making Compensation to Customers; consisting of:<br>a) CGM/GM – Operations Division (Chairman)<br>b) CGM- BA&RM<br>c) CGM- DBTD<br>d) CGM- IAD |

*Committee Details

- Quorum: 3 Members [CGM: Operations Division (GM: CCC in absence of CGM: Operations Division) and 2 other member CGMs].
- In absence/ non-availability of CGM, senior most GM of respective division shall attend the meeting of the committee.
- Convener division shall designate one official, preferably in the rank of CM or above, as convener of the meetings of the Committee.
- Invitee(s) – as per requirement

In case of refund of charges levied in the same financial year, it will be paid to the debit of respective income head, in case of refund/ reversal of charges booked in the previous financial year(s), it shall be refunded to the debit of BACID 11422120 (OR- Any other loss due to Operation Risk event not reported in other Loss Type) so that it is captured/ updated in the loss data repository as per Loss Data Collection Framework of the Bank updated from time to time. However, the reversal of GST on the refund of non-credit-related service charges shall be governed by the extant bank guidelines.

Further, the division will place quarterly status of the charges refunded by the delegated authority mentioned above, in ACE for information.

## 12. TRANSFER OF ACCOUNT TO INOPERATIVE ACCOUNT

A savings as well as current account should be treated as inoperative / dormant if there are no transactions in the account for over a period of two years. Bank shall conduct an annual review of accounts where there has been no customer induced transaction in last one year and further inform the account/deposit holders in writing through letters/ email /SMS (if the email and mobile number are registered with the bank) that there has been no operation in their accounts/deposits in the last one year, as the case may be.

In case any response is received from the account holder giving the reasons for not operating the account, the same shall be continued to be classified as operative for one more year and the account holder shall be advised to operate the account within a period of one year (herein after referred to as 'extended period'). In case the account holder still fails to operate the account within the extended period, bank shall classify the said account as inoperative account after the expiry of the extended period.

Bank is not permitted to levy penal charges for non-maintenance of minimum balances in any account that is classified as an inoperative account. However, other charges will be applicable to Dormant/ Inoperative current and savings accounts as per bank norms.

The depositor can request the Bank to activate the account for operating it after complying with the conditions as per KYC norms.

## 13. TRANSFER OF ACCOUNT FROM ONE BRANCH TO ANOTHER

a) Deposit account(s) may be transferred from one branch to another branch of the bank if otherwise not specified in the scheme free of charge on written request from the account holder. The same may be accompanied by unused cheque leaves if any.

b) Confirmation of Deposit(s) can be made transferable at the branch other than the issuing branch on the request of the Depositor(s) Further, restriction is placed in CBS to avoid Intersol transfer of Fixed Deposit with account balance of more than ₹2 crores. Zonal Manager is the competent authority for allowing Intersol transfer of Fixed Deposit with account balance of more than ₹2 crores.

c) Instructions of a customer for transfer of their account to another branch shall be carried out immediately on receipt of, and in accordance with their instructions. It shall be ensured by the branches that along with the balance of the account, the relative account opening form, specimen signatures, standing instructions, etc., or the master sheets wherever obtained, are also simultaneously transferred, under advice to the customer.

d) The account transfer form with the enclosures may be handed over to the customer in a sealed cover if they so desire for delivery at the transferee branch. However, the transferee branch shall also be separately supplied with a copy of the account transfer letter.

When a branch receives an enquiry from a customer regarding the receipt of his / her account on transfer from another branch, it shall take up the matter with the transferor branch by electronic means, in case it has not received the balance of the account and/or other related papers even after a reasonable transit time.

## 14. PROHIBITION ON ACCEPTANCE OF DEPOSITS AT THE INSTANCE OF PRIVATE FINANCIERS/ UNINCORPORATED BODIES

**Explanation:**

a) Issuance of a Cash Certificate/ Fixed Deposit Receipt by a bank under instructions from a person other than the depositor themselves (or their duly constituted attorney) is not only contrary to normal banking practice but also against the spirit of RBI directives on interest rates on deposits which presuppose acceptance of deposits by a bank directly from the depositors by complying with normal requirements such as application from the depositor, furnishing of specimen signature, etc.

b) Section 45ZB of the Banking Regulation Act, 1949 precludes banks from recognizing any claim of any person, other than the one in whose name the deposit is held to the deposit amount except pursuant to any direction of a court of competent jurisdiction.

Chapter IIIC of the Reserve Bank of India Act, 1934 imposes restrictions on unincorporated bodies in relation to acceptance of public deposits. Accordingly, association of a bank with the deposit acceptance activities of unincorporated bodies may lead to violation of statutory provisions.

## 15. PROHIBITION ON ASSOCIATION WITH PRIZE CHIT SCHEMES AND SALE OF LOTTERY TICKETS

Explanation: While mere opening of accounts in the name of prize chit firms/ companies and issue of cash certificates/ deposit receipts in favour of the members of such firms/ companies by a bank may not be construed as violative of any specific provision of law; the aforesaid types of activities and transactions by banks would come within the term "associate" as used above and bank desist from such type of association.

Accordingly, a bank shall

a) Make enquiries with a company/ firm desirous of opening such accounts, that it is not carrying on the activities banned by the Prize Chits and Money Circulation Schemes (Banning) Act, 1978; and

b) Not open accounts or issue cash certificates/ deposit receipts in respect of prize chit companies or firms/ their members when the activities/ schemes of the company are falling within the purview of the said Act.

A bank shall not associate itself directly or indirectly with lottery schemes of organizations of any description.

## 16. SWITCHING BANKS BY CUSTOMERS

Depositors dissatisfied with customer service have the facility to switch bank.

## 17. ANNUAL SURVEY OF DEPOSITOR SATISFACTION

The annual survey of depositor satisfaction will be conducted by HO: Operations Division (Customer Care Centre) on annual basis. Objective of the survey is to measure customer satisfaction level across various touchpoints and to identify areas for improvement in products, services and interactions.

Key focus area of the survey should illustratively cover below aspects:

a) Account Opening Experience
b) Customer Service & Support
c) Product/ Service offering
d) Ease of Access to Services
e) Treatment of death of a depositor for operations of their account
f) Service Charges
g) Communication and Transparency
h) Overall Satisfaction and Loyalty

Further the scope of survey should describe target audience, survey methodology, frequency & duration. Detail of survey with data analysis and actionable outcomes after discussion with owner divisions will be placed before **Domain Executive Director** for information on annual basis.

## 18. TRI-ENNIAL AUDIT OF SERVICES

Tri-ennial audit of Depositor Satisfaction Survey will be conducted by HO: IAD to ensure sanity of the survey.

## II. OPERATIONAL GUIDELINES CURRENT ACCOUNT

Current Deposit Account is very convenient product for frequent banking transactions by Individuals, Firms, HUF, Companies, institutions, etc. There is no limit on number of transactions in such accounts and are most suitable for business operations.

### 1. ELIGIBILITY

Individuals, Sole Proprietary Concerns, Partnership Firms, HUFs, Companies, Association of Persons, Society, Trusts, Body Co-operatives, Charitable and other Institutions, Limited Liability Partnership etc.

### 2. MINIMUM BALANCE REQUIREMENT

Current accounts must be opened with the minimum initial deposit amount, if any, as prescribed and circulated by HO: BA&RM from time to time. Customers are required to maintain the stipulated monthly average balance to avail benefits, concessions or freebies associated with current account products. In cases where the minimum balance is not maintained, any withdrawal transaction initiated by the customer will automatically raise an exception in CBS. A daily *Exceptional Transaction Report* must be generated for all such exception transactions and reviewed by the Authorized Officer to ensure compliance and proper oversight.

### 3. INTEREST

No interest shall be paid on deposits held in current accounts, provided that balances lying in current account standing in the name of a deceased individual depositor or sole proprietorship concern shall attract interest from the date of death of the depositor till the date of repayment to the claimant/s at the rate of interest applicable to savings deposit as on the date of payment.

### 4. PRECAUTIONS FOR AVOIDING FRAUDS AND UPKEEP OF BALANCING

a) Incumbent in charge must ensure that various accounts of the Branch are periodically balanced strictly in accordance with the prescribed instructions.

b) Incumbents in charge must satisfy themselves, by periodical visits to different sections in their offices that the concerned checking staffs are well versed in their duties and that the accounts are being properly maintained.

c) Incumbent in charge should periodically carry out surprise inspections to review their office routine. In the course of their general supervision, Incumbents in charge should verify various accounts at irregular intervals and scrutinize them in such a way that those directly responsible for their maintenance and checking are made aware that their work is under surveillance. The checking officials at the branches must carry out a comprehensive check over each day's transactions.

## 5. TEMPORARY OVERDRAFT IN CURRENT ACCOUNT

a) Before allowing the Temporary Overdraft the user shall obtain written permission from the competent authority in the Temporary Overdraft (TOD) sanction register (and also on the face of the instrument proposed to be passed by grant of TOD).

b) Interest application to such account are to be calculated on the basis of period for which the account remained in debit balance and at clean overdraft rate defined in the appropriate rate version. However, system will collect interest from the account for the overdrawn amount only. The same shall be parameterized as per bank guidelines. Such transactions will appear in exception report for verification by the incumbent.

## 6. CLOSING OF ACCOUNTS

a) No charge is to be levied if the account is closed within 14 days from the opening of account

b) If a depositor closes his account, within twelve months of its opening, the prescribed charges will be recovered.

c) Premature closure of account/ Issue of duplicate passbook/Statement of account are allowed subject to recovery of prescribed charges.

d) While applying for closing of the account, the passbook and /or the unused cheques, if any, should be returned to the bank. The passbook, after completion will be returned to the depositor, if so desired.

e) The bank may close any deposit account after issuing 30 days' prior notice to the customer giving reason for such closure.

## 7. GUIDELINES REGARDING DEBIT BALANCE IN CURRENT ACCOUNT:

Any current account in debit balance will be treated as clean overdraft account and will be guided as per the guidelines issued by IRMD LOANS & ADVANCES, presently conveyed by IRMD L&A CIRCULAR NO. 44/ 2023 dated 01.04.2023 and subsequent circulars.

## 8. DRAWING OF CHEQUES

a) The customers should be advised as under:

b) Instruments tendered for collection & credit to an account should not be drawn against until these have been actually realized. The bank reserves the right to refuse payment against uncleared effects even though credit thereof may have been afforded in the passbook. Bank will not be held responsible, in the event of cheques being dishonored, for having been drawn against cover in course of realization. Constituents should not overdraw their accounts without having made previous arrangements.

c) Branches should display following notice at conspicuous place in the banking-hall: "Bank shall only honour or pay the cheques of the customers against clear balance up to the previous day and having regard to the drawls of the day already made in the account".

d) The bank will take every precaution to see that funds paid in for credit to accounts are correctly recorded in the respective accounts; but in case any cheque is returned by the bank inadvertently, it will not be held liable for any damage arising there-from.

e) Cheques must be drawn on the bank's printed forms out of the cheque book supplied to the constituents for the purpose. The bank reserves the right to refuse payment of any cheque drawn otherwise.

f) For cheques drawn for a sum less than ₹50/-, a charge of ₹10/- per cheque be levied.

g) Cheques should be drawn in such a way as to prevent subsequent additions or insertions and the signatures thereon should be in strict conformity with the specimen signatures supplied to the bank. Bank reserves the right to refuse payment of cheques that have been altered in any way, except for re-validation under full signatures of authorized signatory/ies. No changes/corrections can be carried out on the cheques (other than for date validation purposes, if required). For any change in the payee's name, courtesy amount (amount in figures) or legal amount (amount in words), fresh cheque leaves should be used by customers. No extraneous matter should appear on the cheque otherwise it may be dishonored.

h) The bank will not be responsible if any post-dated cheque, i.e., bearing a date subsequent to the date of its presentment, is inadvertently paid.

i) Stale cheques, i.e., bearing a date over three months old to the date of presentation, will not be paid.

j) Constituents should see that the cheque books received by them bear their prescribed covers and that the serial number of cheque forms indicated on those covers is intact. Cheque books should be kept under lock and key and the constituents should not allow other persons to use cheques from their books.

k) In the event of closing an account, the unused cheque forms should be returned to the bank.

l) An instrument written in Hindi having date as per Saka Samvat calendar is valid instrument, therefore should be accepted for payment, if otherwise in order. In order to avoid payment of stale cheques, date of National Saka Calendar should be ascertained from the corresponding Gregorion date.

## 9. MISCELLANEOUS

a) The bank reserves the right to amend, delete or add any rule after due notice to the public by advertisement in two daily newspapers circulating in the region, in which the head office of the bank is situated. Also, any updation done should be reported on the official website of the Bank.

b) The appropriate scheme code should be selected in CBS environment for opening a current account. It should be ensured that only one "Customer ID" is assigned to single customer for his/her multiple accounts. This would help Bank in complying Regulatory Guidelines on "Risk Management on Customers". The user shall enter the customer ID of the customer and select the scheme code in which customer account is to be opened. The system automatically displays the default General Ledger sub head for the selected scheme and brings up account opening screen and the branch official shall ensure that all the details given in the AOFs and its annexure are entered into the system correctly.

## III. OPERATIONAL GUIDELINES SAVING ACCOUNTS

Saving Deposit has been defined by the IBA in its "Model Policy on Bank Deposits"as a form of demand deposit, which is subject to restrictions as to the number of withdrawals as also the amount of withdrawals permitted by the Bank during any specified period.

Saving Fund Accounts can be opened for eligible person / persons and certain organizations/ agencies (as advised by Reserve Bank of India (RBI) from time to time). The facility for online submission of account opening request/form is also available on home page of our corporate website www.pnbindia.in.

### 1. ELIGIBILITY

A saving account may be opened:

a) By an individual singly or jointly;

b) In the name of minor by his/her natural or legally appointed guardian. They can also open such accounts with mother as guardian.

c) By a minor of 10 years of age and above after furnishing satisfactory proof of age. However, guardian's KYC and recording of the same in CBS is mandatory.

d) By two or more persons, in their joint names, payable to either or survivor or any one of us or all of them or survivor or survivors, former or survivor(s).

e) By a Society, Club, Association, Trust, Charitable/Educational Institution/Hindu Undivided Family; provided it is not a trading or business concern subject to RBI guidelines.

f) By the Societies/Institutions/Associations, which are not liable to pay income tax under the Income Tax Act, 1961.

g) The account should be opened in the presence of an authorized bank official after obtention/completion of related documents from/by the depositor. In no case, the documents should be handed over to middle men/third parties/intended clients for completion of necessary formalities at a later date.

### 2. PROHIBITION

2.1. The bank shall not:

a) Pay any remuneration or fees or commission or brokerage or incentives on deposits in any form or manner to any individual, firm, company, association, institution, or any other person except:

   i. commission paid to agents employed to collect door-to-door deposits under a special scheme.
   ii. commission paid to Direct Selling agents/Direct Marketing Agents as part of the outsourcing arrangements.
   iii. remuneration paid to Business facilitators or Business Correspondents.

b) Offer prize/lottery/free trips (in India and/or abroad), etc., or any other initiative having element of chance for mobilizing deposits. However, inexpensive gifts costing not more than ₹250/- which is the amount prescribed by the Indian Banks' Association (IBA) as part of the Ground Rules and Code of Ethics framed by them may, at the bank's discretion, be given to depositors at the time of accepting deposits.

c) Resort to unethical practices of raising of resources through agents/third parties to meet the credit needs of the existing/prospective borrowers or to grant loans to the intermediaries based on the consideration of deposit mobilization.

d) Issue any advertisement/literature soliciting deposits from public highlighting only the compounded yield on term deposits without indicating the actual rate of simple interest offered by the bank for the particular period. Simple rate of interest per annum for the period of deposit should be indicated invariably.

e) Accept interest-free deposit other than in current account or pay compensation indirectly.

f) Accept deposits from/at the instance of private financiers or unincorporated bodies under any arrangement which provides for either issue of deposit receipt/s favoring client/s of private financiers or giving of an authority by power of attorney, nomination or otherwise, for such clients receiving such deposits on maturity.

g) Grant advances against term deposits maintained with other banks.

h) Create any fund to be utilized for charitable purposes in consultation with the depositors.

i) Open Saving Account in the name of a private entity for implementation of the Government funding schemes.

j) Open a savings deposit account in the name of Government departments/ bodies depending upon budgetary allocations for performance of their functions/ Municipal

Corporations or Municipal Committees/ Panchayat Samitis/ State Housing Boards/ Water and Sewerage/ Drainage Boards/ State Text Book Publishing Corporations/ Societies/ Metropolitan Development Authority/ State/ District Level Housing Cooperative Societies, etc., or any political party or any trading/ business or professional concern, whether such concern is a proprietary or a partnership firm or a company or an association and entities other than individuals, Karta of HUF and organizations/ agencies listed in **SCHEDULE- I**.

**Explanation:** For the purposes of this clause, 'political party' means an association or body of individual citizens of India, which is, or is deemed to be registered with the Election Commission of India as a political party under the Election Symbols (Reservation and Allotment) Order, 1968 as in force for the time being.

**SCHEDULE- I** - The above prohibition will not apply in case of the following organizations/ agencies:

a) Primary Co-operative Credit Society which is being financed by the banks.

b) Khadi & Village Industries

c) Agriculture Produce Market Committee

d) Societies registered under the Societies Registration Act 1860 or any other corresponding law in force in State or a Union Territory except societies registered under the State Co-operative Societies Acts and specific state enactment creating Land Mortgage Banks.

e) Companies licensed by the Central Government under Section 8 of Companies Act, 2013 or Section 25 of Companies Act, 1956 or under the corresponding provision in the Indian Companies Act, 1913 and permitted, not to add to their names the words 'Limited' or the words 'Private Limited'.

f) Institutions other than those mentioned at point no.2 above and whose entire income is exempt from payment of income tax under the Income Tax Act,1961

g) Government departments / bodies / agencies in respect of grants/ subsidies released for implementation of various programmes / Schemes sponsored by Central Government / State Governments subject to production of an authorization from the respective Central / State Government departments to open savings bank account.

h) Development of Women and Children in Rural Areas (DWCRA).

i) Self-Help Groups (SHGs), registered or unregistered, which are engaged in promoting the saving habits among their members.

j) Farmers' Clubs-Vikas Volunteer Vahini- (VVV)

Institutions/Associations and Societies, which are not liable to pay income tax, under the Income Tax Act, 1961, will be eligible for opening Saving Accounts. Before opening such accounts, Incumbent In charge should obtain copies of bye laws of the Institution/Association/Society to satisfy them that the institution is exempt from payment of income tax.

2.2. The provisions in the above paragraphs shall not be applicable to:

a) A deposit received by the bank:

   i. From the institutions permitted to participate in the Call/Notice/Term Money Market both as lenders and borrowers.
   ii. For which it has issued a participation certificate;
   iii. Under the Capital Gains Accounts Scheme, 1988, framed by the Government of India in pursuance of sub-section (2) of Section 54, sub-section (2) of Section 54B, sub-section (2) of Section 54D, sub-section (4) of Section 54F and sub-section (2) of Section 54G of the Income-Tax Act, 1961; and
   iv. Under the Certificate of Deposit Scheme.

b) Payment of interest on delayed collection of outstation instruments like cheques, drafts, bills, telegraphic/mail transfers, etc.

## 3. ILLITERATE PERSONS

a) Saving Fund Account of illiterate persons may be opened.

b) Illiterate person may be allowed to open joint account with other illiterate person subject to compliance of KYC norms. No cheque book will however be issued in the joint account of all illiterate persons.

c) An Illiterate person may also open joint account with another Literate person who is closely related to him and which can be operated jointly or severally. Cheque book can be issued to Literate Person in such accounts where operation mandate is as 'Either or Survivor'.

## 4. MINOR

Saving fund accounts in the name of minor may be opened. In each such case, the date on which the minor will attain his/her majority, should be recorded. On attaining the age of majority, fresh operating instructions and specimen signature of the account holder along with fresh photographs shall be obtained and at that time it shall be ensured that CDD documents as per the current CDD standards are available with the bank.

The Manager,
Punjab National Bank.
Dear Sir,
In consideration of you're agreed to collect cheques drawn in the name of my minor son/daughter_____________________for credit to his/her saving account no. ____________________________________I undertake to indemnify you against all claims to the cheques, so collected by you.

Yours faithfully,

## 5. INTEREST

a) The rate of interest allowed on saving accounts will be as per the guidelines circulated by HO: IRMD, ALM Cell, from time to time. Presently conveyed by ALM - IRMD CIRCULAR NO. 32/2022

b) Interest is calculated on the balance maintained on daily basis at quarterly intervals at the end of each quarter, i.e., February, May, August and November and credited to accounts in the beginning of March, June, September and December or at the time of the closure of the account. However, no interest is allowed on any account where the aggregate interest amount is less than ₹1/- in any Quarter. Interest shall be rounded off to the nearest rupee. Additional 1% interest on all staff accounts shall continue.

c) Checking of Interest paid on deposits:

   i. Where interest applied/credited in an account is up to ₹10,000/- in a quarter, checking is to be done by respective branches in 5% of the accounts.

   ii. Where interest applied/credited in an account is more than ₹10,000/- in a quarter, checking is to be done by respective branches in all the accounts.

   iii. Regular/Concurrent auditor of the respective branch to vet the interest checking done by the branches during audit and compliance of the same will be ensured through ethic portal. Reports for the same will be made available in EDW reports.

d) In savings bank accounts frozen by the Enforcement authorities, banks will continue to credit the interest to the account on a regular basis.

## 6. DEPOSIT OF CASH AND CHEQUES

a) The minimum amount that can be deposited in a saving account is ₹50/- except under specified schemes where no minimum deposit is stipulated.

b) Deposit of cash and cheque should be made through duly completed prescribed pay-in-slips and cash should be tendered at the cash should be tendered at the cash counter. The depositor should be advised to make sure that the bank's stamp and initials of a checking official are affixed on the counterfoil, when the deposit is made in cash.

c) Cheques and other instruments drawn, to the order of depositor or payable to bearer alone, will be accepted for collection and credit to a saving account. Customers should be advised that it is in their own interest to cross such cheques, before depositing them in the bank.

## 7. WITHDRAWAL OF MONEY

a) 50 debit transactions (except debit transaction done through alternate delivery channels, sweep and standing instruction transaction) in a financial year – Free. Beyond 50 debit transactions- ₹10 per transaction.

b) No withdrawals should be made for less than ₹50/- unless the account is intended to be closed.

c) On presentment of Withdrawal Slip by the account holder personally, he/she may be permitted withdrawal of unlimited amount, subject to observance of usual safeguards, viz., production of passbook, verification of signatures, availability of balance, etc. Cash payment against tender of Withdrawal Slip shall not be permitted to third party, even if the same is accompanied with passbook**.**

d) Depositors must produce their passbooks, when withdrawing money from their accounts, by a withdrawal slip. Such instruments, without production of the passbook, must be referred to the Incumbent In charge, who may permit such withdrawals only in very exceptional circumstances, provided he/she is personally satisfied that there is no risk in doing so. While exercising such authority, Manager must satisfy himself about the genuineness of the mandate and will record the reasons for allowing the payment on the back of the withdrawal slip itself. Manager will be held personally liable if it transpires subsequently that payment through withdrawal slip was wrongly made. Payments beyond ₹50,000/- on withdrawal slip be permitted by the incumbent and it should be ensured by the dealing officer that withdrawal slip reaches the cashier only through the person authorized for this purpose and in no case it be handed over to the Account holder for delivery to the cashier.

e) To provide relief to the old, infirm and sick pensioners who are unable to come to the bank personally for withdrawing cash through withdrawal slip, the guidelines are as under:

There are different guidelines for account holder who is too ill to sign a cheque and cannot be physically present in the bank to withdraw money from his bank account but can put his/ her thumb impression on the cheque/withdrawal form and an account holder who is not only unable to be physically present in the bank but is also not even able to put his/her thumb impression on the cheque/ withdrawal form due to certain physical defect/ incapacity. With a view to enabling the old/sick account holders to operate their bank accounts, it is advised to follow the procedure enumerated below:-

(A) Wherever thumb or toe impression of the sick/old incapacitated account holder is obtained, it should be identified by two witnesses having business relationship with the Bank, one of whom should be a bank official.

(B) Where the customer cannot even put his/her thumb impression and also would not be able to be physically present in the bank, a mark can be obtained on the cheque /withdrawal form, which should be identified by two witnesses having business relationship with the bank, one of whom should be a bank official.("In terms of the General Clauses Act, the term "Sign" with its grammatical variations and cognate expressions, shall with reference to a person who is unable to write his name, include "mark" with its grammatical variations and cognate expressions. There must be physical contact between the person who is to sign and the signature or the mark put on the document. Therefore, in the case of the person who has lost both his hands, the signature can be by means of a mark. It could be the toe impression. It can be by means of mark which anybody can put on behalf of the person who has to sign, the mark being put by an instrument which has had a physical contact with the person who has to sign.")

The customer may also be asked to indicate to the bank as to who would withdraw the amount from the bank on the basis of cheque/withdrawal form as obtained above and that person should be identified by two independent witnesses. The person who would be actually drawing the money from the bank should be asked to furnish his signature.

The branches are advised to obtain a letter in respect of above.

**DRAFT LETTER**

**The Manager,**
Punjab National Bank
BO: _____________

Dear Sir,

Reg. Operation in the A/c. No. _________________In the name of Shri / Smt. ____________________

It is confirmed that Shri/ Smt/Ms.________________ customer / account holder has indicated /authorized /Shri /Smt /Ms. __________________in our presence, for receiving money from the bank on the basis of the mark / impression made / put by him / her on the cheques /withdrawal slip. The signature of Shri Smt/Ms. _________________is attested here below.

Thanking you
Yours faithfully,
(SIGNATURE OF WITNESSES)
SIGNATURE OF IDENTIFIED /
AUTHORISED PERSON

____________________________

(C) The person concerned has to make some mark somehow in the cheque/withdrawal slip for allowing operation in the account. On the very backside of the instrument on which the person is giving the instruction by a mark, the independent witnesses can confirm that the said mark was put up by the person concerned himself in their presence.

The bank official may visit the house/hospital, if necessary, to identify the customer and genuineness of the case.

A letter as suggested above can be taken at the time of making the payment to the authorized person.

**Other Important Guidelines:**

a) A notice as stated below shall be displayed at conspicuous place in the branch:

"All our Saving Fund Account holders are requested to note that cash payment against tender of withdrawal slip shall be permitted as under:

i. No payment shall be allowed to third party against tender of withdrawal form, evenif the same is accompanied with passbook.

ii. Payment against tender of Withdrawal Form shall be permitted to the concerned account holder only, if it is accompanied with related passbook."

b) Withdrawal form does not have the features of a cheque and may pose certain problems if withdrawal form is allowed for payment at CBS branches other than the base branch. Accordingly, cash payments through withdrawal forms are permitted only at the branch where the customer maintains the account and not at other branch. The clause, **"Usable at Base Branch only"** is printed on the face of the withdrawal slip.

c) Withdrawals against cheques and other instruments, tendered for collection and deposit, will not be allowed till these are realized, even though the amount thereof has been provisionally credited to the account.

d) Cheques and withdrawal slips, bearing a date over three months prior to the date of presentment, and or which contain extraneous matter, will not be paid.

e) Cheques and withdrawal slips' bearing alterations(s) will not be paid.

f) The bank reserves the right to refuse payment of a cheque, drawn out of a cheque book, not supplied to the depositor by the bank.

g) Cheques and withdrawals slips should be drawn in such a way as to prevent subsequent additions and insertions in the amount.

h) A depositor cannot overdraw his/her account, without making prior arrangements.

## 8. CLOSING OF ACCOUNTS

a) In case of newly opened saving account, if a customer desires so, he/she may request, on a plain paper, to switch to another account or else to close his/her account citing the reasons to do so, within 14 days of first transaction in the account.

b) The Incumbent In-charge, on receipt of request, must facilitate switching to other account or refund of amount along with the interest earned, if any.

c) No charges shall be levied for providing the facility of switching / closure of account. However, the Incumbent In-charge should make efforts to retain the account by offering various products.

d) If a depositor closes his/her account, after trial period of 14 days but within 12 months of its opening, the prescribed charges will be recovered. Further, he/she may be requested to cite the reasons for the same and the Incumbent in Charge/ Authorized Official on receipt of request will permit closure of account. The reason for closure of account must be invariably recorded in the remarks column in CBS.

e) While applying for closure of the account, the passbook and the unused cheque leaves, if any, should be returned to the bank. The passbook, after completion will be returned to the depositor, if so desired.

f) The bank may close any deposit account after issuing 30 days’ prior notice to the customer giving reason for such closure.

## 9. INTEREST PROVISIONING/ APPLICATION IN SF A/CS

a) Interest provisioning is set as a batch job in the system. System automatically runs the batch job on the last day of every month after Business Hours. The system makes up-to-date interest provision monthly and passes following transaction:
   Dr. Interest Paid on SF account
   Cr. Interest Accrued on SF account – scheme wise.

b) The system runs a batch job for interest application into the accounts on quarterly basis. The batch job applies interest to all SF accounts and passes following transactions: -
   Dr. Interest accrued on SF (respective scheme) a/c
   Cr Individual a/c of customer

c) The authorized officers as per above-mentioned guidelines should check these interest applications.

d) When a depositor wishes to close his/her saving account, interest due will be applied by debit to the 'interest accrued on saving accounts (or interest paid on saving accounts, ifnecessary), and the balance of the account will be made to the depositor against the withdrawal slip / cheque. The relative passbook will be ruled off, marked "Account closed",in red ink, and returned to the customer. If an account is closed, within a year, of its opening except those closed on account of death of account holder, charges as prescribed, from time to time, will be levied.

e) The authorized officer on request of customer can issue balance/ interest certificate to the customer.

## 10. STANDING INSTRUCTIONS

Standing instructions in writing in respect of saving accounts may be accepted and complied with, without production of the relative passbooks. But customer's instructions for stray payments must not be entertained, unless accompanied by a passbook.

## 11. MISCELLANEOUS

a) Addition in the name(s) of account holder(s) be permitted, if so desired, after observing the following formalities:

   i. A letter of request, from the existing account holder(s) be obtained and kept on record with the account opening form, after verifying signatures of the account holders.

ii. Fresh account opening form from all the account holders, (existing as well as the persons to be added) be obtained and filed with the previous one.
iii. A note regarding addition of name(s) should be made in the related account and authenticated by the checking official concerned.
iv. Remarks regarding addition of name(s) should be given in the related passbook.
v. Requests for addition of name(s) more than once should be discouraged.

b) Accounts will be opened in the system by entering full names of the depositors, their occupations, address, etc., and other instructions as per Account opening form obtained.

c) If balance in the account is less than penalty charges, then the A/c will be closed under intimation to the customer by ordinary post.

d) The stock/ custody of withdrawal slip must remain with supervisory staff only. It should be issued to the Account Holder on his/her demand. In no case withdrawal slips should be left in the banking hall, over the counter. While handing over the Withdrawal Slip to the Account Holder, Supervisory staff should affix the date rubber stamp on withdrawal slip. This is to counter check that the slips have been made available from branch counter.

e) When a letter signed by the depositor, is presented for withdrawal of money, particular care must be taken to see that the signatures thereon are genuine. Such letters should be used as debit vouchers and must invariably be branded with a paid date stamp, so that it cannot be re-used.

f) Whenever an application for withdrawal of money from a saving account or a withdrawal form or a cheque is returned to the presenter, because of difference in the depositor's signature, the depositor should be advised on prescribed form direct, as is donein the case of current account holders.

g) When cheques are returned for insufficient funds, the relative returning memos must be signed by the section in charge after circulation of the all-round slip. In cases where a local cheque is under collection or monthly salary is received directly from the employer, prior approval of the Incumbent In charge must be obtained in the overdraft sanction register before the returning memo is signed. All cheques returned must be duly recorded in the register maintained for this purpose.

h) No overdraft limit on a regular basis is permitted in saving fund account except as mentioned in the scheme. Powers for sanctioning of clean OD in saving accounts are withdrawn and no clean OD should be permitted in savings accounts except for schemes with inbuilt OD facility/ scheme specific reasons.

i) Whenever a duplicate passbook is issued, the fact shall be duly recorded in the system under the respective account, and the stipulated charges must be recovered.

If the original passbook is subsequently presented, Payment shall be made only after the duplicate passbook has been returned by the depositor and destroyed in the presence of the Branch Head.

j) The bank reserves the right to amend, delete or add any rule at any time.

## 12. SEPARATE HEAD FOR INSTITUTIONAL DEPOSITS / CORE DEPOSITS

a) Growth of core deposits is a pre- requisite for matching growth in Net Bank Credit. Institutional Deposits continue to be our competitive strength as it forms an integral part ofour Total Deposits and channelizes substantial amount of Low Cost Deposits.

b) In view of the inconsistency in identifying Institutional Deposits, due to wrong capturing of identifier codes in CBS for the same, we are reiterating the guidelines for meticulous compliance.

c) The Institutional Deposits comprises of the following deposits:

i. Deposits of Central and State Governments including Government Departmental undertakings such as Railways, Post & Telegraph, etc.
ii. Deposits of Local Authorities, which include Port Trusts, Municipalities, Zila Parishads, etc.
iii. Deposits of Quasi Government Bodies, which include State Electricity Boards, Housing Boards, etc.
iv. Deposits of Public Sector Corporation and companies which are owned by Central & State Governments or local authorities and engaged in manufacturing/trading. Public Sector companies are defined in Section 617 of the Companies Act as companies in which not less than 51% of the paid up share capital is held by Central/State Government or partly by Central and partly by State Governments andinclude companies which are subsidiaries of Government Companies. State Trading Corporation, Food Corporation of India, State Road Transport Corporation. Warehousing Corporations are to be treated as public sector companies/corporations.
v. Deposits of State managed companies, public or private limited companies not owned but managed by Government (i.e., sick textile mills whose management is taken over by the Government) Indian Iron & Steel Company Ltd., etc.
vi. Deposits of Non-Banking Financial company including Mutual funds
vii. Deposits of Trusts
viii. Deposits of all Registered Society which includes the Societies which have registered in the Society Act and governed by the Society rules and regulations
ix. Deposits of all Private and Public Educational Institutions, which includes recognized or non- recognized institutions.

# IV. OPERATIONAL GUIDELINES TERM DEPOSIT

"**Term deposit**" means a deposit received by the Bank for a fixed period which is withdrawable only after the expiry of the said fixed period and shall also include deposits such as Recurring Deposit and Fixed Deposits and its variants. All the Fixed deposit schemes offer either maturity option ('Interest In' type of account where interest accrued is payable on maturity) or income option ('Interest Out' type of account where interest accrued during the term of Deposits is paid to the Depositor, periodically). Where Deposit is made under 'Income Option', operative account to which periodical interest is to be credited to be specified from the depositor/s. In case customer is not maintaining any operative account with our bank, FD may be opened with repayment account/interest payment account as BACID 3111103 with validations placed in CBS menu FDREPAY.

## 1. FIXED DEPOSIT (FD)

a) The minimum tenor of domestic/NRO Term Deposits is 7 days and maximum is 10 years. In accounting terms 'Fixed Deposits' are known as 'Time Liabilities' which means deposits withdrawable subject to notice, not on demand. However, branches may accept deposits for periods exceeding 10 years in terms of orders of competent courts.

b) Fixed Deposit accounts may be opened, on compliance of KYC norms, in the names of Individuals (singly or jointly), Firms, Corporate Bodies, Trusts, and Associations, HUF and Public Undertakings, etc., on execution of relative Account Opening Form and completion of requisite formalities, as have been set forth for opening of deposit accounts.

c) The facility of issuance of e-FD has also been customized in Internet Banking. Retail IBS users are also having the option to cancel the online opened Fixed Deposits prematurely, during branch timings only. After Central EOD, the customer's request will be captured with display of the message on screen that his/her request will be processed on the next working day. Once the request is captured, it will be executed by the system at BOD level on the next working day without any further request of the customer.

d) System will not allow the FD to be closed in case any lien is marked on FD. Interest calculation/ penalty, etc., will be computed online in CBS and funds will be credited to the chosen account number instantly. The aforesaid facility will be available subject to the condition that the related Saving/Current Account must be fully KYC compliant. Also, it is mandatory to credit the closure proceeds of any FDR into the account having the same customer ID as that of the Fixed Deposit Account or

BACID 3111103 (Repayment Ac for Term Deposit) for onward payment/ crediting the proceeds into customer's account maintained with any other bank.

e) When a fixed deposit account is opened in the joint names of two depositors on 'Either or Survivor' basis and the said joint depositors already have a savings bank account in their names jointly on 'Either or Survivor' instructions, on maturity of the fixed deposit, proceeds of the matured fixed deposit can be credited to the joint savings bank account already opened in the bank. There is no need for opening a separate savings bank account in the name of the first depositor for crediting the proceeds of the fixed deposit.

f) Deposits, for other periods or at interest rates, other than the prescribed ones, should not be accepted, as it shall be viewed as violation of established systems and procedures of our Bank as well as Reserve Bank of India's guidelines.

g) Floating rate domestic term deposits shall be linked to a directly observable and transparent market determined external benchmark.

h) To prevent frauds involving misappropriation of funds in term deposits a confirmatory letter in the form of "Thank You" note shall be sent to the beneficiary through post and SMS as well as e-mail wherever mobile No. and e-mail ID is available. A Thank You letter has been customized in CBS which is to be sent to the account holder. Report is available in DAYRPT 4/22a.

## 2. RECURRING DEPOSITS

a) These accounts may be opened by all types of customers as mentioned in case of fixed deposits Accounts. The facility of opening minor's A/cs under guardianship is also permissible.

b) Recurring deposit accounts may be opened, with minimum monthly installment of ₹100/- or more in multiples thereof with a maximum ceiling of monthly installment of ₹25 Lakh. Further **Domain ED** is delegated with the power for allowing any modification/ customization in the limit of core monthly installment on case-to-case basis.

c) Deposits can be accepted for a period of 6 months to 120 months, in multiple of 1 month.

d) The installment for any calendar month shall be paid on or before the last working day of that month, failing which penalty charges are to be levied for delay @ ₹1.00

for ₹100/- p.m. irrespective of periodicity of deposit. A fraction of the month is being treated as full month for the purpose of calculating such penalty.

e) A depositor may deposit installment at all the branches of the bank as well as by giving standing instructions, to transfer from his/her savings or current account. Such transfers will be effected free of charge.

f) Standing instructions can also be given online after opening of RD Account. In case the depositor fails to maintain sufficient balance in his/her account, to affect such transfers, the standing instructions would be treated as cancelled and the installment will be deemed to have fallen in arrears. The depositor can also pay the installments in advance.

g) SMS alerts for missed installments and due date of maturity will be sent to customer.

h) All Recurring Deposit Accounts shall be payable AT PAR on maturity at all CBS branches, i.e., no inter-sol transaction charges of any nature including cash withdrawal either directly or through Savings/Current Account etc. will be levied at the time of payment. In case, customer requires premature payment in respect of the Recurring Deposit, it would be entertained only at the Base Branch, i.e., the branch where the account of Recurring Deposit is maintained.

i) Every depositor will be provided with a passbook of his/her account. No repayment will, ordinarily, be made from the account, without production of the passbook. However, this formality may be waived, at the written request of the depositor. If the passbook is lost, spoiled or mutilated a duplicate passbook will be issued after a levy of duplicate passbook charges.

j) The deposit shall mature for payment 30 days/one month after payment of last installment or on expiry of period for which the deposit was accepted, whichever is later, irrespective of whether the last installments is paid with penalty in subsequent month(s). Accounts maturing on a Sunday or a Bank holiday, will be payable, on the next working day.

k) The payment on maturity of Recurring Deposit shall be made after obtaining a proper discharge from the customer on the Receipt annexed at the end of the passbook.

l) The relative passbook will be returned to the depositor, after completion and duly marked with the remarks "account closed". However, since Recurring Deposit pertain to the category "Term Deposits", payment of deposits of ₹20,000/- and above covered under Income Tax Amendment Ordinance, 1981 should be made as provided in the Ordinance Act.

m) In case of premature cancellation of deposit, 1% penal interest to be charged at the time of premature cancellation/ part withdrawal of domestic term deposits for all tenors and interest rate payable shall be interest rate applicable to the amount & period for which the deposit remained with the bank minus 1% and not at the contracted rate. However, ALCO is delegated with the power to review premature penalty rate(s) from time to time, keeping in view the market dynamics.

n) In case of premature closure within a month, no interest shall be paid to the customer.

o) Staff Members and Senior Citizens and instances of death of the depositor before maturity, would continue to be exempted from the levy of penal interest.

p) Recurring Deposits, where monthly installments are regularly paid/or regularized after payment of penalty up to some period after which defaults were made and the amount is sought to be withdrawn before due date, the interest rate will be applicable as mentioned above (i.e. minus 1%) and simple interest will be paid on daily product basis compounded quarterly and penalty for non-deposit of installment has been dispensed with.

q) In case RD account is not made regular by depositing pending installments till maturity date, simple interest will be paid on daily products basis compounded quarterly.

r) Loans may be granted against Recurring Deposits as are being allowed against Fixed Deposits. The bank's lien will be noted on the depositor's balance in the recurring deposit account, to the full extent of the limit allowed. The related passbook with customer’s signatures on payment coupon in the passbook will be obtained from the borrower and kept with the documents, which will be returned, after the loan is adjusted.

## 3. CLASSIFICATION OF DEPOSITS ACCEPTED UNDER TERM DEPOSIT SCHEMES

In terms of revised RBI guidelines on Bulk Deposits dated June 07, 2024, ALCO has realigned the Retail Card rate bucket to Single Rupee Term Deposits of < ₹3 crore from < ₹2 crore.

3.1. **Size of Deposits:** Differential interest rate will be offered only on bulk deposits, provided that differential interest shall not be applicable on deposits schemes framed on the basis of the Bank Term Deposit Scheme, 2006 or the deposits received under the Capital Gains Accounts Scheme, 1988. However, from branch deposit budget classification point of view, term deposits are classified as under:

a) **Retail (Core) Deposits:** All domestic single term deposits contracted at the Retail Card rates, published by ALM Cell, IRMD HO, will be treated as Retail Core Deposit. The category of deposit contracted at retail card rates published by ALM cell are as under:

   i. Single Domestic Term Deposit upto ₹10 crore
   ii. Single Interbank Rupee Deposit less than **₹3 crore**

b) **Wholesale Term Deposit:** All domestic single term deposits contracted at card rates published by Treasury Division will be treated as Wholesale Term Deposit, which are as under:

   i. Single Domestic Rupee Term Deposit above ₹10 Crore.
   ii. Single Interbank Rupee Deposit **of ₹3 crore** & above.

c) **Bulk Deposit means:** Single Rupee term deposits of **₹3 crores** and above

However, all the branches are required to take prior approval from Circle Head **(Dy. Circle Head in absence of CH)** for accepting any domestic Term Deposit of above ₹10 Crore from a single depositor (fresh/ renewal) for which rate of interest shall be given by HO: Treasury Division. Circle Head in turn, would seek permission for accepting such deposits from HO: Treasury Division. A Unique ID (numeric) is provided by HO: Treasury Division for accepting/ continuing such Term Deposits. The branches are required to open these Term Deposit in the schemes under "Wholesale Deposit" and they will be mandated to feed Unique ID (reference number) provided by Treasury Division in the relevant field at the time of account opening. It is reiterated that no deposit of above ₹10 Crore whether fresh or renewal will be contracted without seeking permission from HO: Treasury Division.

## 4. MANDATE FOR MODE OF OPERATION

4.1. When a deposit, made in the name of more than one person, is repayable to anyone or more of them or to the survivors, or former or survivor, appropriate remarks will be entered on the receipt, as also in the system. Such remarks must be verified/ authenticated, by the checking official.

a) During the life time of the joint holders, any change in terms of Fixed Deposit shall be made only on the request made by all the joint holders except in the case of "former or survivor" where former can request for any change in mode of operation individually.

b) In case of death of one of the account holders, request of the survivor(s) for addition of fresh name(s) may be allowed only once, after getting the requisition from both, namely the survivor(s) and the person(s) to be newly added and after taking a stamped indemnity bond (specimen given below), from both of them, to guard the bank, against any claim of legal heirs/representatives of the deceased account holder.

**Specimen of Indemnity Bond**

Manager
Punjab National Bank
Dear Sir,
Reg.: FDR A/c No.___________________________for ₹ ________________________
in the name(s) of_________________________________payable to former/either or survivor due on__________________________________.

In consideration of your agreeing at our request to make addition of the name of Miss/Mr. / Mrs._____in the aforesaid FDR, we hereby indemnify and agree to reimburse the bank, its successors and assigns for all claims, losses, interest, costs and charges, which may be made or claimed against the bank by any person(s) in consequence of the bank, making the said addition and/or the bank making payment, before or after maturity of the said fixed deposit receipt/recurring deposit.

Yours faithfully,

1.

2.

Place: (Signatures)
Date: (Names in block letters)

Where the account opening form, held by the office contains the under-noted clauses; indemnity bond as given above, need not be insisted upon:

a) The deposit in question will be payable to either or survivor, any one of us or survivor(s), any two of us, or survivor(s), all of survivor(s) or us. In case any one of us, gives to the bank, written instructions, revoking the above instructions, the deposit will be payable on the joint discharge of all of us or survivor(s). In the event of death of any one of us, the deposit will be payable to the survivor(s). The payment, as per instructions so given by the person(s), above mentioned or survivor(s) will give good discharge to the bank

OR

The deposit in question will be payable to the former or survivor(s). These instructions are irrevocable. Bank will not act on any notice or instructions given by the other joint account holder(s) during the life of the former.

b) We also authorize the bank, at the request of any person(s) above name as beneficiary, during the currency of the deposit, and the conditions stated above will apply to the same.

4.2. Name(s) of any person may be added/deleted/substituted, against a joint written authority of all the account holders and the new entrants(s) after observing following formalities. However, in no case shall the amount or duration of the original deposit undergo change in any manner in case of a Term Deposit. Besides following precautions shall be undertaken:

a) The addition/deletion/substitution may be allowed, once only, during the period of the existing deposit(s), at the discretion of the Incumbent In-charge.

b) In all such cases, the original beneficiary (ies), of the account must remain.

c) Letter of authority from the depositors should be obtained and kept on record with the account opening form, after authentication of the depositors' signatures thereon.

d) Fresh account opening form should be obtained and filed with the previous account opening form. The authorized officer must check the correctness of the details entered in account opening of term deposit before authorizing Scheme Code, CIF, Deposit Amount, Period, Interest Flow Option and Nomination, etc.

e) A note regarding addition/deletion/substitution of the name must be noted in the system and the request letter from the customer regarding above must be kept with the Account Opening Form.

f) Relative deposit receipt should be amended, under proper authentication of the checking official, or a fresh receipt may be issued in lieu of the old one with the same particulars in all respects except the addition/deletion/substitution in name(s) of beneficiary (ies).

4.3. Bank at its discretion and at the request of all the joint account holders of a deposit receipt, allows the splitting up of the joint deposit, in the name of each of the joint account holders only, provided that the period and the aggregate amount of the deposit do not undergo any change.

## 5. ADDITIONAL RATE OF INTEREST BENEFIT TO SENIOR CITIZEN

a) A person who has completed the age of 60 years may be treated as a senior citizen for getting the benefit of higher rate of interest on fixed deposit. The additional rate of interest of 50 bps (presently) over applicable card rates for all maturities on domestic deposits of less than ₹3 Crores would be paid in accordance to the guidelines issued by HO: IRMD, ALM Cell from time to time.

b) At the time of opening a new deposit account of a senior citizen the bank shall verify the age through verification of any of the following documents: -

   i. Secondary school leaving certificate indicating date of birth;
   ii. L.I.C. policy
   iii. Voters' identity card
   iv. Pension payment order
   v. Birth certificate issued by the competent authority
   vi. Passport;
   vii. Driving license;
   viii. PAN number
   ix. AADHAAR
   x. Any other documentary proof to the satisfaction of the Branch Manager

A copy of the document so presented & verified shall be kept on records along with the related Account Opening Form.

c) The benefit of additional rate of interest will be given to the senior citizens at the time of opening the Fixed Deposit accounts in their own names or in the joint names with any other person (whether senior citizen or otherwise). For accepting deposits of senior citizens jointly with other persons below the age of sixty years, it may be ensured that the name of the senior citizen must appear as the first name in the AOF and an undertaking be obtained from the Senior Citizen that the amount of deposit belongs to him/her.

d) The preferential rate would be payable on new deposit or on renewal of Fixed Deposit. If a person is holding a Fixed Deposit and during the currency of deposit, the depositor attains the age of 60 years, the preferential rate would be allowed on renewal/enhancement of period/split of Term Deposit unless specified in dedicated scheme. Once the age of senior citizen is verified for offering additional rate of interest, there is no need to seek proof of age for renewal of deposits or while taking subsequent deposits from him/her for allowing additional rate of interest benefit to senior citizen.

e) However, benefit of additional rate of interest is not offered on the fixed deposits standing in the name of a KARTA of the Hindu Undivided Family (HUF), even if the KARTA is Resident Indian Senior Citizen.

Nomination from Senior Citizen as per Bank's extant instructions/ procedures mustbe invariably obtained, so as to facilitate the transfer of deposits to the nominees in event of death of the Senior Citizen.

## 6. ADDITIONAL RATE OF INTEREST ON DEPOSITS OF STAFF AND EX-STAFF

a) Bank shall, allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure, subject to the following conditions:

   i. The additional interest is payable till the person continues to be eligible for the same and in case of his ceasing to be so eligible, till the maturity of a term deposit account.

   ii. In case of employees taken over pursuant to the scheme of amalgamation, the additional interest is allowed only if the interest at the contractual rate together with the additional interest does not exceed the rate, which could have been allowed if such employees were originally employed by the bank.

   iii. In the case of employees taken on deputation from another bank, the bank from which they are deputed may allow additional interest in respect of the savings or term deposit account opened with it during the period of deputation.

   iv. In the case of persons taken on deputation for a fixed tenure or on a contract of a fixed tenure, the benefit will cease to accrue on the expiry of the term of deputation or contract, as the case may be.

v. Bank Employees' Federations, in which bank employees are not direct members, shall not be eligible for additional interest.

vi. The additional interest may be paid on the following deposits after obtaining a declaration from the depositor concerned, that the monies deposited or which may be deposited from time to time into such account belong to the depositor:

a. member or a retired member of the bank's staff, either singly or jointly with any member or members of his/her family; or
b. the spouse of a deceased member or a deceased retired member of the bank's staff; and
c. an Association or a fund, members of which are members of the bank's staff;

The benefit of additional rate of interest to banks, staff members, or retired staff member is available only in case of the staff member or retired staff members has an account singly or jointly with family member where the staff member/retired staff member is the Principal Account Holder. The staff member who is principal account holder in a joint account may give a declaration to the Bank that the money belongs to the staff member.

However, benefit of additional rate of interest is not offered on the term deposits standing in the name of a KARTA of the Hindu Undivided Family (HUF), even if the KARTA is Staff Member/Retired Staff Member/ a resident Indian senior citizen.

The Principal Account holder is to be identified on the basis of CIF (ID linked with PF number of staff member) of staff who is "Principal Account Holder" in joint account, in which benefit of additional interest is to be provided after taking undertaking that money deposited in the account belongs to that staff member.

Primary CIF of the staff can be linked to joint account by running HCCA menu in the CBS. Thereafter, branch to run menu option PRFUPD available with the general user and verify through INTTM. This step will ensure that CIF of the staff member will be considered as tax deduction identifier in the particular account where benefit of additional interest has been /or is being given.

**b)** A retired member of the bank's staff" means an employee:

i. Retiring whether on superannuation or otherwise as provided in the bank's Service/Staff Regulations which provide retirement on superannuation as well as retirement at the request of the officer employee or by the bank after completion of 30 years of service or after 55 years of age, but does not include an employee retired compulsorily or in consequence of disciplinary action.

ii. Retiring under voluntary retirement scheme, after rendering minimum 20 years of service of pension regulations

iii. Taking pre-mature retirement due to infirmity after rendering 10 years of service.

iv. In case of resignation by any employee other than the above listed clauses, no additional rate of interest would be applicable.

v. An association or a fund, all members of which are members of the bank staff, is similarly entitled for the concession.

vi. If any depositor, as mentioned in the aforesaid paragraphs, desires to have his/her fixed deposit receipts account cancelled, before maturity, interest should be allowed at 1% over and above the scheduled rate, for the period, for which the receipt/ account has run.

## 7. PROHIBITION

The concession mentioned above, should not be allowed to individuals, who are discharged or dismissed by the bank and to such retired persons, who may be found indulging in any hostile activities against the bank or who may be supporting any organization with similar objectives.

## 8. ADDITIONAL BENEFIT OF SENIOR CITIZEN TO EX-STAFF MEMBERS

The benefit of additional rate of interest as applicable to Fixed Deposit of Senior Citizens may also be permitted to the Bank's ex- staff subject to compliance of terms and conditions as applicable to Senior Citizens. This will be in addition to the existing benefit of 1% over and above the normal rates as being allowed to the retired staff under the extant directive.

## 9. PAN/GIR NUMBER OR FORM 60

The prospective account holder is required to mention his/her PAN/GIR No. in the Account Opening Form. The officer opening the account should verify the same from the original and put his signature in token of having verified the original and in case the depositor is not having the same, Form No. 60 / 61, as applicable, is required to be obtained from him/her.

## 10. ACCOUNTS IN THE NAMES OF MINORS

Minors of any age are allowed to open and operate savings and term deposit accounts through his/ her natural or legal guardian. They are also allowed to open such accounts with mother as guardian. Term Deposit in the minor of 10 years of age and above may be opened in their name on obtaining satisfactory proof of their age. The date on which a minor attains majority, will be entered in the system. Care must be exercised, that after the minor attains majority, the deposit must not be paid, without their specific authority and discharge on the reverse of the fixed deposit receipt (The expressions 'father' and 'mother' do not include a step father or a step mother). While opening account of a minor customer, irrespective of their age, capturing CIF of their guardian in Related Person detail is mandatory.

## 11. ACCOUNTS IN THE NAMES OF ILLITERATES

a) Fixed deposits may be accepted from illiterate persons. Such accounts of illiterate persons may be opened, subject to observance of rules prescribed by the Bank. A rubber stamp indicating that the depositor is illiterate to be affixed on the Account Opening Form, and the relevant deposit receipt, under the initials of checking official.

b) An undertaking, in the following format, on the Account Opening Form, must be taken from the depositor, to the effect that payment of the fixed deposit, shall not be demanded, otherwise than on presentation of the fixed deposit receipt, by the depositor himself: -

"I hereby agree that payment of the fixed deposit receipt(s), on maturity, will be received by me personally, by presenting the same, at your office. The bank will not be liable, to pay, except as above".

Witness's Signature Depositor's left/ right thumb impression Address

c) A declaration to the effect, that the contents of the Account Opening Form, including the undertaking above, and the stipulations governing fixed deposit accounts, have been translated and explained to the depositor, will be taken on the Account Opening Form, in the following format, from the person, witnessing the thumb impression of the depositor: -

"The contents of the Account Opening Form and the stipulations governing issue of fixed deposit receipts, as appearing on the back there of, have been explained to the depositor and fully understood by him/her and he/she has affixed his/her thumb impression, hereunder, in my presence, in token thereof.".

Witness's Signature   Depositor's left/ right thumb impression   Address

d) At the time of payment of such accounts, the depositor will personally come to the bank, along with the fixed deposit receipt. The left(male)/right(female) hand thumb impression of the depositor, on the back of the fixed deposit receipt, will be affixed by the depositor, in the presence of the passing official, who will ensure, by reference to the photograph, and identification marks, if any, that the payment is being made to the depositor himself /herself. Also, the passing official will ascertain from the depositor, that the correct amount of the fixed deposit has been paid to illiterate customer and in token of his having done so, will affix his initials, against the amount mentioned in the fixed deposit receipt.

e) In case, the depositor's photograph has not been obtained or is not on record or differs, he/she will be required to produce one independent witness, acceptable/known to the bank, to attest his/her thumb impression, on the fixed deposit receipt. The name and address of such a witness will be recorded on the fixed deposit receipt. Where a fixed deposit receipt is presented for payment by collecting bank, along with proper letter of authority, with the thumb impression of the illiterate person, duly attested, payment will be made to the collecting bank. As far as possible, the attestation shall be as under: -

"Shri/Smt. _________________ beneficiary of the fixed deposit receipt No. dated _________________has put his/her thumb impression in our presence and we attest the same.

## 12. HINDU UNDIVIDED FAMILY (HUF) ACCOUNTS

Accounts of HINDU UNDIVIDED FAMILY may be opened on following conditions:

a) **Mandate to be accepted only from Karta of HUF**: The bank will be authorized to pay the proceeds of fixed deposit receipt(s), to the 'Karta' of the firm and to honor any notice, instructions or discharge given or signed by 'Karta' notwithstanding, any instructions to the contrary, given by any of the co-parceners.

b) **Intimation of changes in HUF to Bank:** The bank will be informed periodically, say once a half-year, and at the maturity or at the time of payment of fixed deposit receipt(s), of the birth or death of a member, in the family or any other change, that may have occurred, since the opening of the account.

c) **Payment of FDR to Karta:** Payment of the fixed deposit receipt(s) receivedby the Karta will be valid and effective on behalf of/binding on newly born member(s), if any, in the family. Further, in case of such accounts, on the death of a major co-parcener, the operation in the account will be stopped and dealt with as a claim case.

d) **Stop Payment of FDR:** The bank will be entitled to stop payment of the balance, standing in the fixed deposit account(s), on receipt of information about the death of any member.

## 13. APPLICATION AND CHECKING OF INTEREST PAID ON DEPOSITS

a) Interest on deposits for fixed term may be paid, credited, transferred or reinvested with frequency not less than the quarterly rests. However, payment of monthly interest may be allowed, if required, by discounting the quarterly interest accrued.

b) Interest on deposits where the terminal period (month/quarter/half year, etc.), as the case may be is incomplete shall be paid on maturity.

c) On deposits repayable in less than three months or where the terminal quarter is incomplete; interest would be paid for the actual number of days on the basis of 365 days in a year.

d) The authorized officer shall also ensure marking of information related to TDS deduction or exemption in particular account in the specified field.

e) Interest inflow reflects that interest is added to the principal whereas interest outflow means that interest is credited in the operative account.

f) At the end of every completed quarter, interest payable on the deposit for completed quarters, will be credited to the respective account to the debit of "interest accrued on fixed deposits" account.

g) The calculation of interest should be as per guidelines and the same can be done by invoking relevant option in the FD module of CBS. The official need not enter any voucher through counter operation menu for renewal/premature withdrawal. The system will automatically generate /pass necessary book entries.

h) In order to comply with the provisions of Income Tax Act, interest for the broken period would be calculated on the principal amount at the end of the relevant quarter (i.e., from the date of opening to the last date of the relevant calendar quarter) at the applicable rate and credited in the fixed deposit account or operative account of the customer as the case may be and TDS, if applicable, would be deducted there from.

i) In case of Fixed Deposit with monthly/quarterly interest payment, Interest for the broken period would be calculated on the principal amount at the end of the relevant month / quarter (i.e., from the date of opening to the last date of the relevant calendar month / quarter), as per the option given by the depositor at the time of opening the account, at the discounted /applicable rate, as the case may be, and credited in the Saving Fund/ Current Account, and TDS, if applicable, would be deducted there from. Thereafter, interest would be calculated on calendar month/ quarter basis or up to the maturity date on the principal amount, as the case may be.

j) TDS shall be deducted on proportionate basis from the very first month /quarter if total interest payable to a customer during the financial year (i.e., from April to March) on all his/her term deposits, wherein his / her name stands first, in a Bank on the basis of CIF of the customer comes to ₹50,000/- and above in case of Senior citizen and ₹40,000/- and above for any other person. (Ref. HO: Finance Division Cir. No. 26/2019 and other operative circulars in this regard)

k) Total payment (i.e., principal and interest) of an FD at the time of its maturity shall be subject to upper cap of the pre-determined maturity value which shall be fixed in such a way as if interest has been applied for the completed quarters, wherever applicable, right from the beginning and after taking into account the TDS.

l) The certificate evidencing deduction of TDS on the fixed deposits will be issued to the customer at the end of the financial year / at the time of maturity.

m) All fixed deposits are payable on maturity or thereafter at all CBS Branch or as per related functionalities as circulated by Ho: ITD, from time to time. The base branch is authorized for payment before maturity date and for any loans against such deposit.

n) Interest is calculated and credited to respective accounts as per mandate given at the time of opening of fixed deposit account with income option. However, if the operative account is not specified then interest amount is credited to Sundry account.

o) The system generates the interest certificate including interest credited in the account and TDS. This report should be generated in 3 copies. Interest certificate may be issued to depositor in respect of the amount actually credited in the depositor's account during the year. One copy is sent to Income Tax Authorities, other to the customer and third copy is preserved as bank record.

p) The detailed guidelines in respect of Income Tax are issued by Finance Division, HO and wherever applicable, TDS should be deducted. However, to comply with the requirement of IBA, Tax deducted should be shown separately to the debit of the account and gross amount of interest should be credited in the account. Further,in terms of Finance Division circular updated from time to time, where the tax is deducted from the FD account itself then future interest is to be allowed on the reduced balance (net of TDS).

q) Bank shall not deduct TDS from depositors who submit declaration in Form 121 (previously 15-G/15-H) under Income Tax Rules, 1962. Acknowledgment in this regard shall be issued at the time of receipt of such declaration.

## 14. PAYMENT OF INTEREST ON ACCOUNTS FROZEN BY BANKS

a) Banks will freeze the accounts of customers based on the orders of the enforcement authorities. The procedures being followed for handling of such frozen accounts are as under:

   i. A request letter should be obtained from the customer on maturity. While obtaining the request letter from the depositor for renewal, banks should also advise them to indicate the term for which the deposit is to be renewed. In case the depositor does not exercise his option of choosing the term for renewal, banks will renew the same for a term equal to the original term.

   ii. No new receipt is required to be issued. However, suitable note will be made regarding renewal in the deposit ledger.

   iii. Renewal of deposit should be advised by registered letter / speed post / courier service to the concerned Government department under advice to the depositor. In the advice to the depositor, the rate of interest at which the deposit is renewed should also be mentioned.

b) Interest is calculated and credited to respective accounts as per mandate given at the time of opening of account. However, if the operative account is not specifiedthen interest amount is credited to Sundry account. The system generates the interest certificate including interest credited in the account and TDS. Interest certificate may be issued to depositor in respect of the amount actually credited in the depositor's account during the year.

c) The detailed guidelines in respect of Income Tax are issued by Finance Division, HO and wherever applicable, TDS should be deducted. However, to comply with the requirement of IBA, Tax deducted should be shown separately to the debit of the account and gross amount of interest should be credited in the account. Further,in terms of Finance Division Circular No.06/98 dated 04.12.98 and updated circulars, where the tax is deducted from the FD account itself then future interest is to be allowed on the reduced balance (net of TDS).

## 15. ISSUANCE OF DUPLICATE TERM DEPOSIT RECEIPT

a) The bank is not entitled to withhold payment of the money; in case a deposit receipt is lost or destroyed by the depositor. In case TDR was issued on Bank's security form before payment is made or a duplicate receipt is issued, the depositor should be asked to sign the prescribed Indemnity Bond, on form no. PNB-322 (stamped according to local law). When a duplicate receipt is issued, it should be marked, in red ink, 'issued in lieu of the fixed deposit receipt no… dated.... reported lost', and a similar note must also be made in system by the authorized officer.

b) All the stamped indemnity bonds obtained on Form No. PNB-322 for issuance of duplicate term deposit receipt must be placed separately in an era file and arranged according to the numerical order of the respective accounts. The era file will remain under lock and key, in the charge of checking official of the branch. Overnight, these should be kept in strong room/ in fire resistant steel cabinet outside the strong room.

These indemnity bonds will be preserved permanently. Particulars of such indemnity bonds will be separately recorded in the Branch Document Register maintained in terms of H.O. guidelines by having a separate opening therein on the following format.

Particulars of indemnity bonds executed for issuance of duplicate term deposit receipts

<table>
<tr><td>A/C No.</td><td>Br. Sl. No.</td><td>Date of Issue of TDR</td><td>Name of Beneficiary</td><td>Nominee's Name</td><td>Due date of TDR</td><td>Date of Indemnity Bond</td><td>Amt. paid/ Date of payment</td></tr>
<tr><td colspan="3">Signature of Depositor for receipt of Duplicated TDR</td><td colspan="3">Signature of Officer/In-Charge</td><td colspan="2">Remarks</td></tr>
</table>

c) After payment of the term deposit on the basis of duplicate confirmation of deposit, either the depositor or the legal heirs of the depositor may claim payment of the fixed deposit by presenting the original one to the Bank and in such cases, if the above guidelines are not followed strictly, it becomes difficult for the bank to prove that the fixed deposit, in question, has already been paid earlier to the depositor.

d) However, where Deposit receipt is reported lost, a letter to this effect will be obtained from the depositor and duplicate Deposit receipt will be issued, without asking for the indemnity and after observing usual safeguards, viz., verification of signatures of the depositor, etc. No duplicate Deposit receipt should be issued without a request being made in person by the depositor/s themselves. Issuance of duplicate Deposit receipt in the absence of the depositor/s can lead to perpetration of frauds.

e) It is advised to exercise utmost caution while catering to the requests for issuance of duplicate Deposit receipt, if:

i. AOF is not available/found missing in the records.

ii. Identity of the depositor requesting is not well established/known to the bank.

iii. Such request is made by the depositor without physically presenting himself in the branch.

f) Keeping in view the perpetration of frauds, mechanism has been devised so that system will allow closure on the basis of only last Deposit receipt printed. The process of closure of Fixed Deposit account has been modified for making it stringent. The modified process is placed as under:

i. The check/validation has been placed by printing a System Generated Number (SGN) on every Deposit receipt printed and during closure system will ask the user to enter the above SGN printed number. Only the last number (SGN) in combination with account being closed will be allowed for closure. Henceforth, payment will be made only on the last Deposit receipt printed, whether original or duplicate.

ii. For the Old Accounts (prior to placing of check) where duplicate Deposit receipt has been issued, confirmation will be sought from user closing the FixedDeposit account that payment of duplicate Deposit receipt only is being made and accordingly information of user making the payment will be captured.

iii. For Accounts where no Deposit receipt has been printed so far, system will force user to print the Deposit receipt first and then proceed for closure of the Fixed Deposit account after entering the SGN.

## 16. PAYMENT OF TERM DEPOSITS

a) Payment of FDRs issued by CBS branches can be made by any CBS branch on maturity only. All the deposits, which are repayable after notice or repayable after a certain period, where the amount of deposit / aggregate amount of deposit / such deposit repayable together with interest, i.e.,₹20,000/- or more, the repayment of such deposit(s) has to be made by account payee cheque or account payee bank draft. Such repayments could also be made by crediting the amount of such deposit(s) to the account of the person(s) to which such deposit(s) has/ have to be repaid. In order to know whether payment of a particular deposit is attracted by the provisions of the Act or not, it is necessary to find out the aggregate amount of all term deposits held in the name of the depositor and the amount to be repaid with interest at maturity or otherwise. Where such an amount is Rs.20, 000/ or more, payment will have to be effected in either of the modes prescribed under the Income Tax Act.

b) With a view to ensure that the provisions of the Ordinance Act are being strictly followed, the Incumbent In-charge, before allowing Cash Payment, would verify with reference to the CIF of the customer, the details of other FDs of the same depositor issued in his/her name.

## 17. DISBURSAL OF AMOUNTS OF LOANS AGAINST DEPOSITS

Loans against deposits are not covered by the Ordinance Act. Disbursal of loan amount in cash or otherwise does not amount to repayment of deposit amount. Therefore, while making repayment of the deposit on maturity or otherwise, the loan transaction is to be ignored. The gross amount of deposit and interest repaid are to be considered and not the balance amount repaid after adjusting the loan liability.

## 18. RENEWAL & SPLITTING OF DEPOSITS ON MATURITY

a) Renewal of deposit does not amount to repayment. Deposits could be renewed by splitting into smaller deposits in the name of the depositor only (as appearing in the original deposit). Splitting of deposits other than in the name(s) of original deposit(s) should not be permitted without effecting repayment of the deposit(s).

b) Facility of Auto-Renewal or Renewal on Request at Maturity on the same deposit receipt, with or without interest (In special Fixed Deposit/ Ordinary Deposits), is also available to the depositors. The depositor is not required to visit the Bank for renewal of his deposit.

c) The presentment of deposit receipt, at the time of renewal/splitting/ extension / payment/ transfer will be requested but not insisted upon. The request for the desired activity may be obtained on the back of the related confirmation letter or ona plain paper.

## 19. CHECKING ON SPLITTING OF DEPOSITS

To avert splitting of deposits, to gain higher rate of interest as well as classification of deposits under core deposit, checks have been placed in CBS in following cases:

a) In a single day, fixed deposit (including online FD) of less than ₹3.00 Crore only be issued in a Customer ID (CIF) on card rate slab of less than ₹3.00 crore only.

b) In a single day, fixed deposit (including online FD) of ₹3.00 crore to ₹10.00crore be issued in a Customer ID (CIF) on card rate slab of above ₹3.00 crore to ₹10.00 crore only.

c) In a single day, fixed deposit in multiple slab of rate of interest cannot be issuedin a Customer ID (CIF).

## 20. DEATH OF ONE OF THE HOLDERS IN JOINT ACCOUNTS

a) Upon the death of one of the holders of a joint account, where the relative Account Opening Form provides for payment of balances to the survivors (either or survivor/Former or survivor), the account will, continue and payment on maturity can be made to survivor(s), unless at or before the time of payment, an order of Court or other competent authority has been received prohibiting payment to the survivor(s). A letter of request from the survivor(s) and death certificate produced should be kept on record.

b) The survivor(s) should be requested to transfer the balance into a new account in his/ her or their own names. A fresh account opening form must be taken.

c) When the balance is not repayable to the survivor(s), the operation in the account must be stopped and treated as a claim case and claimants be requested to submit claim papers (in duplicate) in form No. PNB 46-47, duly supported by death certificate.

## 21. DEATH, INSOLVENCY AND INSANITY OF A CUSTOMER

a) Notice or knowledge of the death, insolvency or insanity of a customer should be recorded in the system with the date and the source of information. A note should also be made in the specimen signature record. The matter should then be dealt as per the mandate of the depositor(s) with the bank/as per the directive of the Court, if any.

b) Pre-mature payment of fixed deposit / recurring deposit account may be made to the Surviving depositor(s) on their requisition and execution of stamped letter of indemnity, as per specimen given below. A copy of indemnity duly signed by customer is to be obtained and held on record for all FD accounts.

The Manager,
Punjab National Bank,

Dear Sir,

Reg: Fixed Deposit Receipt No.____________________for ₹____________in the name of Payable to former/either or survivor, due on_________________.

In consideration of your agreeing, at my request, to make payment of the above fixed deposit receipt for ₹_________________________or balance in recurring deposit accountand/or interest due thereon, before its due date to me, being the surviving depositor (Shri_______________________having died), I hereby indemnify and agree toreimburse the bank, its successors and assigns, for all claims, losses, interest, costs and charges, which may be made or claimed against the bank, by any person(s), in consequence of the bank making payment before maturity of the above fixed deposit receipt/recurring deposit account.

Yours faithfully,

c) In the event of death of any of the joint account holders, before maturity date, the bank shall be free, at the request of the survivor(s), though not obliged, to refund payment on such terms, as the bank may decide, to grant advance loan to the survivor(s) against the balance, in the said deposit account(s) before the maturity and the discharge given by survivor(s), either all give the bank a valid discharge. The bank may on receipt of a written application from the former/the later/the first named/the second named etc. of us, or either or survivor/any one, or survivors or survivor of us, in its absolute discretion and subject to such terms and conditions, as the bank may stipulate:

   i. grant a loan/advance against the security of the term deposit receipt to be issuedin our joint names, or

   ii. make premature payment of the proceeds of the deposit to the former/the later/the first/the second named of us/either or survivor of us/ anyone of us or survivors or survivor of us etc.

d) Balance confirmation letter in loan accounts against the security of bank deposit will not be obtained unless the debit balance exceeds the value of security and/or deposit under pledge matures after two years and above from the date of advance.

## 22. PAYMENT OF INTEREST ON TERM DEPOSIT OF A DECEASED DEPOSITOR

The rate of interest payable to the heirs of a deceased depositor on the term deposit account of deceased depositor(s) would be as under: -

a) In case of death of the depositor before the date of maturity of deposit and amount of the deposit being claimed after the date of maturity, the Bank shall pay interest at the contracted rate till the date of maturity. From the date of maturity to the date of payment, the bank shall pay interest as permissible in case of overdue term deposits for the period for which the deposit remained with the Bank beyond the date of maturity.

b) Further, in case of death of a depositor after the maturity date where the depositor had failed to renew the deposit for a further period, the bank shall pay interest as permissible in case of overdue Fixed Deposit.

## 23. PAYMENT OF INTEREST ON RENEWAL OF OVERDUE TERM DEPOSITS (IN CASE OF DECEASED DEPOSITOR)

a) Overdue Term Deposits are to be renewed on the date of presentation and not to be renewed from retrospective date.

b) The appropriate prevailing rate of interest shall be applicable from the date of renewal of the FDR.

c) Interest for the overdue period is to be paid at Savings Bank rate of interest as applicable from time to time.

d) Interest on Overdue Term Deposits is not subjected to Tax Deduction at Source in terms of section 194A of the Income Tax Act, 1961. However, in the cases where the said overdue deposits are renewed further, the interest on such renewed term deposits will be subjected to same provisions of TDS applicable in the case of any other new/fresh terms deposits.

## 24. PAYMENT OF INTEREST ON NON RENEWAL OF OVERDUE TERM DEPOSIT

a) Depositors can give instruction at the time of opening the account for payment of maturity proceeds to their account of for renewal of the deposit for the period of their choice.
If a Term Deposit (TD) matures and proceeds are unpaid, the amount left unclaimed with the bank shall attract rate of interest as applicable to savings account or the contracted rate of interest on the matured TD, whichever is lower.

b) These revised guidelines shall be made effective on all Overdue Term Deposits, including;

i. PNB Tax Shield Fixed Deposit Scheme
ii. Capital Gain Scheme Certificate of Deposits
iii. Recurring Deposit/Flexi Recurring Deposit.

## 25. STRUCTURE OF RATE OF INTEREST APPLICABLE ON FLEXI FIXED DEPOSITS ISSUED IN SWEEP ACCOUNTS

a) Bank has in place current account schemes, viz., Smart Banking Current Account Scheme (With or Without Sweep-In and Sweep-Out facility) etc. and Saving Account schemes, viz., Prudent Sweep (Individual & Institution) etc. wherein FFDs are issued automatically on balance above a predefined threshold limit and period of deposit.

b) Revised parameters of applicable Rate of Interest on Flexi Fixed Deposits issued under Saving & Current Account including all variants are as under:

c) ROI applicable on FFDs will be as under:

| | |
|---|---|
| Less than ₹3 Crs | Applicable Card Rate, i.e., ROI for below ₹ 3 Crore. For ex. If deposit of below ₹3 Crore is swept for FFD then applicable rate will be ROI for below ₹3 Crore for that day. |
| ₹3 Crs to ₹10 Crs | Applicable Card Rate, i.e., ROI for ₹3 Crore – ₹10 Crore. For ex. If deposit of ₹2 Crore to ₹10 Crore is swept for FFD then applicable rate will be ROI for ₹3 Crore to ₹10 Crore for that day. |
| Above ₹10 Crores | Applicable Bulk Rate, i.e., ROI for above ₹10 Crore. For ex. If deposit of above ₹10 Crore is swept for FFD then applicable rate will be ROI for above ₹10 Crore for that day. |

Further, if the amount of FFD falls below to the next bucket due to withdrawal of amount, then applicable rate will be as per contracted rate till its maturity.

## 26. PREMATURE WITHDRAWAL OF FIXED DEPOSIT

a) Bank on request from the depositor, should allow withdrawal of a term deposit before completion of the period of the deposit agreed upon at the time of making the deposit. As per RBI's guideline, Bank will have the freedom to determine its own penal interest rate of premature withdrawal of term deposits. Accordingly, ALCO is delegated with the power to review premature penalty rate(s) from time to time, keeping in view the market dynamics. Presently 1% penal interest shall be charged at the time of premature cancellation/part withdrawal of domestic term deposits for all tenors and interest rate payable shall be interest rate applicable to the amount & period for which the deposit remained with the bank minus 1% and not at the contracted rate. It is to be ensured that the depositors' ae made aware of the applicable penal rate along with the deposit rate. The components of penalty shall be clearly brought to the notice of the depositors at the time of acceptance of deposits.

b) No penalty is to be levied if the deposit is prematurely closed for the purpose of investment to any other term deposit scheme of the bank provided that the deposit remains with the bank after the re-investment for a period longer than the remaining period of the original contract.

c) In case of splitting of the amount of term deposit at the request from the claimant(s) of deceased depositors or joint account holders, no penalty for premature withdrawal of the term deposit shall be levied if the period and aggregate amount of the deposit do not undergo any change.

d) Staff members/Senior Citizen (except their term deposit, if any, accepted by Bank on Differential Rate of Interest basis) before maturity are exempted from the levy of 1% penal interest. Further, in the event of death of the depositor, premature withdrawal of term deposits is allowed without any penal charge, even if the deposit is within the lock-in period. The same will be incorporated in AOF also.

e) The penal rate of interest shall be applicable on all term deposits presented for premature cancellation unless specifically mentioned/ exempted under a particular term deposit scheme.

f) The above provisions of levy of 1% penalty shall not be applicable in cases of premature sweep-in and sweep-out taking place in specific schemes of Saving Account & Current Account.

g) No interest is payable, where premature withdrawal of deposits takes place before completion of the minimum period prescribed, which is presently 7 days.

h) With effect from April 1, 2013 banks will have the discretion to disallow premature withdrawal of a term deposit in respect of bulk deposits of ₹3 crores and above of all depositors, including deposits of individuals and HUFs. Bank should, however, notify such depositors of its policy of disallowing premature withdrawal in advance, i.e., at the time of accepting such deposits. A bank on request from a depositor shall allow withdrawal of a Rupee term deposits of less than ₹3 crores, before completion of the period of the deposit agreed upon at the time of making the deposit.

i) If the joint depositors prefer to allow premature withdrawals of fixed/term deposits also in accordance with the mandate of 'Either or Survivor' or 'Former or Survivor' or 'Anyone or Survivor', as the case may be, it would be open to banks to do so, provided they have taken a specific joint mandate from the depositors for the said purpose. In other words, in case of term deposits with "Either or Survivor" or "Former or Survivor" or "Anyone or Survivor" mandate, banks are permitted to allow premature withdrawal of the deposit by the surviving joint depositor on the death of the other, only if, there is a joint mandate from the joint depositors to this effect.

j) The powers being delegated to allow waiver of penalty clause for premature cancellation of domestic term deposits, whether at the time of issuance or closure and applicable to both retail and wholesale deposits are as under:

| Amount of Deposits | Delegated Authority |
|---|---|
| Above ₹10 Crores | General Manager, HO: Treasury Division is empowered to waive charges for pre mature withdrawal of deposits at the time of giving quotes for rate of interest, i.e., at the time of issuance of FDRs. |
| | EDs is empowered for waiver of penalty on premature withdrawal of deposits at the time of closure, on case-to-case basis. |
| Upto ₹10 Crores | Domain Executive Director is empowered for waiver of penalty in case of premature cancellation of term deposit, on case-to-case basis. |
| | Domain Executive Director is empowered to waive penalty on premature withdrawal of callable FDRs at the time of their issuance or giving quotes, in cases where the deposit amount is upto ₹10 Crores. |

The term deposit account holder must give clear 3 days' notice for premature withdrawal of such deposits."

## 27. LOAN/ADVANCE AGAINST TERM DEPOSIT

Loan or advance shall be granted as per HO: IRMD Circular (Loan/overdraft against bank deposits) issued from time to time if the deposit stands in the name of:

a) The borrower either singly or jointly

b) A ward and the advance is made to the guardian of the ward who is competent to borrow on behalf of the ward and where the advance is made to the guardian of the ward in such capacity;

c) One of the partners of a partnership firm and the advance is made to the said firm.

d) The proprietor of a proprietary concern and the advance is made to the said concern.

e) Overdraft allowed to a partnership firm against a deposit standing in the name of the partner of the firm jointly with another person, who may or may not be related to him or her.

f) Advance made to a proprietorship concern against a deposit standing in the name of the proprietor along with another person, who may or may not be related to the proprietor.

g) Overdraft allowed to a trust against a deposit standing in the name of a trustee or a beneficiary of a trust and the trustee is enjoying facility.

h) Advance made to a co-parceners of HUF concern against the deposit standing in the name of HUF concern may be treated as advance against borrowers deposit, only after obtaining factual confirmation by acceptable evidence, i.e., declaration by all co- parceners including Karta of HUF as to how that deposit is treated for tax, etc., and that whether the deposit really belongs to HUF as the liability of coparceners in HUF is limited to the extent of their share in their family estate. In other cases, deposits of other co-parceners may be treated as deposit of third party for the purpose of allowing advance there against to HUF.

i) When a customer raises a Demand Loan or opens an Overdraft account against the FDR, he/she has to pledge/lien the FDR with the bank. Since, after FDR being pledged, no other document will be available with the customer to trace the particular of the FDR,henceforth, a receipt containing details of FDRs being pledged (with the bank for securing a demand loan/Overdraft), should be issued to the tenderer, in the following format:

PUNJAB NATIONAL BANK B.O

(Format of Receipt of FDRs pledged/lien to bank to secure a demand loan)Dated:

| |
|---|
| The following FDRs have been received, pledged/ lien by Shri/M/s. _______for securing a Demand Loan/Overdraft :- |
| |
| A/c No. FDR No. Date Scheme Name of Amount Due on |
| Beneficiary (face value) |
| |

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |

**Authorized Officer**

j) The prescribed margin and interest as advised by HO: RLBD/BA&RM from time to time for loans against own Deposits be maintained.

## 28. EXTENSION OF THE PERIOD OF EXISTING CONFIRMATION OF DEPOSIT

As per Reserve Bank of India directive, renewal of a deposit, before maturity, is not to be regarded as involving a "pre-mature payment", provided the deposit is held by the bank after the date of renewal, for a period longer than the remaining period of the original contract. Accordingly, while allowing extension in the period of existing fixed deposit under any of the schemes, penal provisions, stipulated in Reserve Bank of India directives, should not be invoked. Under noted procedure may be followed while allowing extension in the period of a deposit:

a) Extension of the deposit may be affected only, from the date on which extension is sought for by the depositor (and not from any retrospective date).

b) The rate of interest in respect of the period, up to the date of renewal, shall be the rate (compounded on quarterly basis with effect from 01-05-83) applicable for the period, from the date of deposit up to the date of renewal, and in respect of the period thereafter, the rate (quarterly compounded in case of Re-Investment Option) applicable for the period, equal to the period, for which the deposit is intended to be renewed.

c) Interest accrued up to the date of extension, may be paid or made payable at the time of maturity of the fresh receipt so issued, and a note to this effect must be given in red ink, on the fresh receipt, as well as on the relative ledger folio, duly authenticated by a checking official.

d) The existing deposit receipt must be cancelled and filed with the relative voucher and a new one issued in lieu thereof, with the inscription:

"Issued in lieu of fixed deposit, Receipt No.________________dated______________ for ₹__________________________at __________for__________months (ledger folio) ______________________________________________________________cancelled. Interest accrued up to____________________________________________₹(in words) paidon__________________________________________________________to be paid on ______________________________________________________________date of maturity".

e) Other procedural instructions, in the matter of cancellation/renewal of deposit receipts, will apply mutatis mutandis, to such deposit receipts, where period of deposit isdesired to be extended/ converted into another category of receipt.

## 29. DEDUCTION OF TAX AT SOURCE

The extant guidelines issued by Finance & Taxation Cell, HO: Finance Division, from time to time, shall be applicable in this regard. Interest Certificate may be issued in terms of bank's guidelines.

Any person (other than an individual or a Hindu undivided family) responsible for paying interest other than interest on securities to a resident person is required to deduct tax at source under the provisions of Section 194A. Important action points are given below.

a) When a fixed deposit/Time Deposit is renewed retrospectively, the relevant date for deciding the applicability of Section 194A would be that date of renewal. Thus, if the time deposit is renewed on or after 01.07.1995, the tax deduction at source will have to be made from interest paid or credited in respect of such a time deposit.

b) Interest paid / credited or likely to be paid / credited to the customer or interest payable account or suspense account, etc., during the financial year from all his term deposit accounts, wherein his name stands first, in a branch should be taken for reckoning the cut off limit of ₹5,000/-up to May 31, 2007, ₹10,000/- from June 1, 2007 up to 31.03.2018 and ₹50,000/- for Senior Citizen and ₹40,000/- for any other person from 01st April, 2018.

c) Interest paid on NRE, FCNR, NRNR (Non-Resident Non-Repatriable) accounts are exempt from deduction of tax at source.

d) TDS on interest on the compensation amount awarded by the Motor Accident Tribunal will be deducted, as per the extant guidelines circulated by HO: Finance Division Finance & Taxation Cell from time to time.

e) In case of joint account, entire interest paid will be accounted in the hands of first named joint holder. In the absence of any information to the contrary, aggregate the interest of a joint account with the interest on deposit in the individual account that has higher interest income (CBDT Cir. No. 256 dtd.29.05.1979).

f) When the tax is deducted from the FD account itself, then future interest is to be allowed on the reduced balance (net of TDS). TDS can be recovered from any other operative accounts as per mandate given by the depositor.

g) Where the depositor submits certificate from the Income Tax Assessing Officer for deducting tax at a lower rate or for not deducting tax at all, the bank will act as per the certificate issued by the Assessing Officer. The Certificate is valid only for the person named therein and will remain valid for the period so specified in certificate, unless it is cancelled by Assessing Officer at any time before expiry of the aforesaid period.

h) The Bank is required to issue TDS certificate within 15 days from the end of the month in which credit is given or the amount is paid. In case of regular/frequent deduction of tax from interest income of the depositor, the bank may issue at the request of the depositor, one consolidated certificate for all the tax deducted and deposited during the Financial Year, within 15 days from the end of the month in which last deduction was made.

i) Branches may at the time of making any deductions, increase or reduce the amount to be deducted for the purpose of adjusting any excess or deficiencies arising out of any previous deduction or failure to deduct during the financial year.

j) **Quarterly Return**: - Consequent to the amendment made in section 194A (3) (i), the quarterly return u/s 206A shall have to be furnished if the payment of interest to a resident does not exceed ₹10,000/- where the payer is a banking company or a co- operative society and ₹5000/-in any other case.

The provisions of this section are not applicable in the following cases:

a) Where the aggregate amount of interest credited or paid for likely to be creditedor paid during the financial year does not exceed ₹5000/- up to May 31 2006,₹10,000/- from June 1,2007 and ₹50,000/- for Senior Citizen and ₹40,000/- for any other person from 01st April, 2018.

b) Any banking company to which the Banking Regulation Act, 1949 applies or a co-operative bank (including a co-operative land mortgage bank).

c) Any financial corporation established by or under a Central, State or Provincial Act, e.g., the Industrial Finance Corporation and the State Financial Corporations;

d) The Life Insurance Corporation of India.

e) The Unit Trust of India

f) An insurance company or a co-operative society carrying on the business of insurance; or

g) Any other institution or association or body or class of institutions, associations or bodies which the Central Government may, for reasons to be recorded in writing, notify in this behalf, in the official Gazette.

h) Any payment by an offshore banking unit on deposits or borrowings made after March 31, 2005 to a non-resident or resident but not ordinarily resident.

## 30. PRE MATURE RENEWAL/EXTENSION IN THE PERIOD OF DEPOSIT BEFORE MATURITY

a) Premature renewal of Term Deposit (i.e., extension of the deposit before maturity) shall not be regarded as premature payment of the deposit, provided the deposit is held by the Bank after the date of renewal for a period longer than the remaining period of the original contract. Interest accrued up to the date of extension may be paid/or made payable at the time of maturity of the fresh receipt so issued.

b) Extension of the deposit may be effected only from the date on which extension is sought for by the depositor and not from any retrospective date without invoking any penal provisions. The rate of interest in respect of the period up to the date of presentation shall be at the rate applicable for the period during which the deposit remained with the Bank, for the period thereafter, at the rate of interest as operative on the date of request for premature renewal shall be applicable for a period equal to the period of extension / renewal. In such cases:

   i. Interest accrued, if any, up to the date of extension may be paid.

   ii. Excess payment of interest, if any, should be recovered from the party, before complying with his instructions.

## 31. CONVERSION OF FIXED DEPOSIT:

The change in option will be allowed provided:

a) In case the depositor desires to exercise the option of conversion to any other Term Deposit Scheme before maturity, Incumbent In-charge on the request from the depositor can allow conversion provided the depositor agrees to continue the deposit with the Bank, for a term longer than the remaining period of original contract.

b) Conversion of the deposit may be effected only from the date on which the conversion is sought for by the depositor, (and not from any retrospective date), without invoking penal provisions.

c) The rate applicable for the period as operative on the date of deposit, during which the deposit remained with the Bank, up to the date of conversion and in respect of the period thereafter, at the rate of interest applicable on the date of conversion for the period equal to the period of conversion.

d) Interest accrued, if any, up to the date of conversion may be paid and excess payment of interest, if any, should be recovered from the account, before complyingwith his/her instructions.

**PROCEDURE:** The under noted procedure will be followed while allowing conversion;

**"**The existing deposit receipt should be cancelled and filed with the relative voucher and a new one be issued, in lieu thereof with the inscription "Converted into (as the case may be) in lieu of Deposit Receipt No.
________________________________________
dated ___________________for ₹
________________________________________
@____________for months__________________Account No.
________________________________________
Interest accrued up to ₹__________________Rupees ______________________________(in words) paid on _________________.

Other procedural instructions in the matter of cancellation/renewal of deposit will apply mutatis mutandis, to such deposit receipts.

## 32. AUTO RENEWAL OF DOMESTIC TERM DEPOSIT ON MATURITY

a) Where the customer has opted for auto renewal, his/her deposit to be renewed strictly as per mandate given by the customer after the date of maturity, except Term Deposit under PNB Tax Shield Scheme, Capital Gain Scheme, Bulk Term Deposit (above ₹10 Crores) and Inter Bank Deposits. No interest will be paid by the system, if FDR does not run for a minimum period of 7 days.

b) The field functionaries shall ensure that auto renewal of the fixed deposits having maturity value of above ₹10 crores is to be accepted for principal amount only, i. e., up ₹10 crores. The branch incumbents shall contact the customers of existing FDRs having maturity value above ₹10 crores with auto renewal instructions and inform them that auto renewal of such FDR will not take place and only principal amount can be accepted for auto renewal.

c) Where the customer has not opted for auto renewal, the same shall be auto renewed for the same period for which the matured deposit was placed.

d) The auto renewal period may be modified at the instance of the customer subject to the minimum or maximum period of the scheme. However, the customer will have the option of changing the tenor of the auto renewal of Term Deposit till the date of maturity.

e) The Term Deposit shall continue to be auto renewed till the number of times opted by the customer.

f) The system has been customized for auto renewal of Term Deposits where customer has opted for auto renewal of principal plus interest or principal only as per the mandate of the customer.

g) At the time of granting loan against the Term Deposit, a mandate of the depositor shall be obtained for renewal of the Term Deposit and for continuation of loan facility.

h) The interest rate payable shall be the card rate applicable on the date of maturity of Term Deposit, depending upon the tenor.

i) The auto renewal of Term Deposit shall be net of TDS, if any, as per existing guidelines.

j) All renewal is to be made effective from the date of maturity and not from retrospective date.

k) No manual intervention in the system should be done which results in non-auto renewal of the term deposit on maturity.

l) The Incumbent In-charge shall ensure that no term deposit account should be transferred to overdue category as per mandate of depositor. If at all, it has to be transferred to overdue category, the reasons be ascertained for effective follow up for renewal of the same immediately. Functionality is available that all the eligible accounts should be auto renewed on due date, but due to some account related issues, system does not auto renew the account, the concerned Circle Offices to get renewed these accounts received through menu option HTDREN at branch level.

## 33. DELEGATION OF POWERS FOR ISSUE OF TERM DEPOSITS FROM RETROSPECTIVE EFFECT

a) HO: IAD Cir. No.18 dated 07.02014 and updated circulars states "Overdue term deposits are to be renewed on the date of presentation and not to be renewed from retrospective date."

b) As such, to provide exemplary customer services to our patrons, the following Powers are being delegated for issuance/ renewal/ changing of CBS code for FDRs with retrospective effect to the field, where it originates as a system generated fault or non-compliance of customer mandate by the branch.

| Amount of Deposit | Period for Retrospective Issuance | Competent Authority for Approval | |
|---|---|---|---|
| | | **Callable Deposits** | **Non - Callable Deposits** |
| Up to ₹5 Crores | 1 month | Circle Head/ LCBs Head/ eLCBs Head* | CGM (GM in absence of CGM) - General Banking Division |
| Above ₹5 Crores &upto ₹10 Crores | 2 month | Zonal Manager* | |
| Above ₹10 Crores | Above 2 months | CGM (GM in absence of CGM) - General Banking Division | |

* In absence of Circle Head/ Dy. Circle Head, Zonal Manager/Dy. Zonal Manager and LCB Head/ Second Man of that LCB will be empowered to exercise the power of providing approval**.**

c) Discretionary powers, as mentioned above, will be vested only on fulfillment of both conditions of time period & amount in question; otherwise, matter will be referred to next higher Authority.

d) While issuing back dated FDRs, branches must ensure that there is no violation of Bank's/ RBI other Statutory Authorities' Guidelines.

e) COs/ Zos, who are to exercise the above powers, are advised to submit a monthly report of all such deviations by 7th of succeeding month for monitoring purposes as per table below:

| COMPETENT AUTHORITY | REPORTING TO |
|---|---|
| Circle Heads/ LCBs Head/ eLCBs Head | Respective Zonal Office |
| Zonal Managers | HO: BA&RM |

## 34. DELEGATION OF POWERS FOR PAYMENT OF INTEREST IN ALL DEPOSIT ACCOUNTS - CASES OF LESS PAYMENT OF INTEREST

Discretionary power of allowing payment of interest in case of exceptional circumstances of less payment of interest for all types of deposits, on case to case basis on each individual deposit receipts/wrong payment of interest shall be with **Zonal Manager**, irrespective of the amount on recommendation of **Circle Office (in respect of deposits with GBBs) and LCB/eLCB Head (in respect of deposits with LCB/eLCB)**.

A consolidated note on such payment of interest during the quarter shall be placed to ACE by CGM (Operations Division) for information. However, in case of court order, respective Circle Head may permit payment of interest and seek ratification from Zonal Manager. All such cases shall be reported in the 'Op Risk Solution' of the Bank. However, while permitting for payment of interest amount not provided in the -CBS system or auto renewal due to some error, the competent authorities at various levels should ensure the following:

a) The angle of staff ' accountability for nonpayment/less payment of interest amount in the CBS system.
b) The cases of such payment of interest shall be reported by the competent authority in their monthly statement.
c) In case of branches under concurrent audit, the correctness of the interest amount may be got vetted by the concurrent auditor before allowing the payment.
d) In other cases, the same may be got checked by the auditor at the time of regular/revenue audit to ensure the ii correctness of the amount paid

## 35. SEPARATE HEAD FOR INSTITUTIONAL DEPOSITS/CORE DEPOSITS

a) Growth of core deposits is a pre- requisite for matching growth in Net Bank Credit. Institutional Deposits continue to be our competitive strength as it forms an integral part of our Total Deposits and channelizes substantial amount of Low Cost Deposits.

b) In view of the inconsistency in identifying Institutional Deposits, due to wrong capturing of identifier codes in CBS for the same, we are reiterating the guidelines for meticulous compliance.

c) The Institutional Deposits comprises of the following deposits:

   i. Deposits of Central and State Governments including Government Departmental undertakings such as Railways, Post & Telegraph, etc.

ii. Deposits of Local Authorities, which include Port Trusts, Municipalities, Zila Parishads, etc.

iii. Deposits of Quasi Government Bodies, which include State Electricity Boards, Housing Boards, etc.

iv. Deposits of Public Sector Corporation and companies which are owned by Central & State Governments or local authorities and engaged in manufacturing/trading. Public Sector companies are defined in Section 617 of theCompanies Act as companies in which not less than 51% of the paid up share capital is held by Central/State Government or partly by Central and partly by State Governments and include companies which are subsidiaries of Government Companies. State Trading Corporation, Food Corporation of India, State Road Transport Corporation. Warehousing Corporations are to be treated as public sector companies/corporations.

v. Deposits of State managed companies, public or private limited companies not owned but managed by Government (i.e. sick textile mills whose management is taken over by the Government) Indian Iron & Steel Company Ltd. etc.

vi. Deposits of Non-Banking Financial company including Mutual funds

vii. Deposits of Trusts

viii. Deposits of all Registered Society which includes the Societies which have registered in the Society Act and governed by the Society rules and regulations.

ix. Deposits of all Private and Public Educational Institutions, which includes recognized or non-recognized institutions.

## IDENTIFIER CODES FOR INSTITUTIONAL DEPOSITS

| CODES IN CBS | DESCRIPTION |
|---|---|
| COJCS | COS. OWNED JOINTLY BY CENTRAL & STATE GOVT. |
| COMPP | COS. OWNED/MANAGED BY PUBLIC & PVT SECTOR |
| EDUIN | EDUCATIONAL INSTITUTION |
| FIMUF | MUTUAL FUNDS PUBLIC SECTOR |
| FIPMF | MUTUAL FUNDS PVT SECTOR |
| FITLI | TERM LENDING INSTITUTIONS |
| GBODO | GOVT. BODIES OTHERS |
| GLOCA | LOCAL BODIES |
| GMCOS | GOVT. MANAGED PUBLIC & PVT LTD COMPANIES |
| GOVTC | CENTRAL GOVT. |

| | |
|---|---|
| GQUAB | QUASI GOVT. BODIES |
| GSELB | STATE ELECTRICITY BOARDS |
| GSPSU | STATE GOVT. PSU |
| NBFCS | NON BANKING FINANCE COMPANIES |
| SOCCR | COOPERATIVE CREDIT SOCIETIES |
| SOCNC | NON CREDIT COOP SOCIEITES |
| ZPSUS | OTHER PSUS |
| TRUST | TRUST DEPOSITS |

d) In view of the availability of aforesaid codes, it is advised that the branches should enter correct codes for existing as well as for new accounts, so that institutional deposits can be identified.

## 36. MISCELLANEOUS

a) Bank issues term deposit receipt (Confirmation of Deposit) indicating therein full details such as, date of issue, period of deposit, due date, applicable rate of interest etc.

b) Confirmation of fixed deposits should be issued only on the bank's printed forms, which must be kept in the custody of the official in-charge of the department. Full particulars must be entered on the forms, the amount being clearly mentioned/ printed, both in figures and words, in such a manner that unauthorized alterations are not possible.

c) In case, where the branch has mentioned rate of interest different from the prescribed rates, it will be proper and appropriate for the branches to scrutinize the transactions taken place since change/ revision in the interest rates, if FDR/certificates have been issued erroneously, the depositor be called and the rate mentioned in the certificate be corrected and duly authenticated. A letter of regret for the inconvenience caused/ error crept in, must be issued. Even if correction could not be effected, a notice be issued to the depositor, duly served on him intimating the correct rate of interest. The mistake should not be left out without any action. Necessary action needs to be taken to correct the errors to avoid allegations of deficiencies in services.

d) Deposit receipt must be issued free from alterations. When a receipt form is spoilt in printing in Branches, it must be marked 'cancelled', under the initials of the signing officials and the spoilt form be kept in record, after tearing the space for signature of the branch officials.

e) Deposit receipt do not require to be stamped at the time of issue, nor at maturity, in the event of the deposit and interest accrued thereon, being renewed or credited to the depositor's current or savings account. When the principal amount, part principal, or interest exceeding ₹500, is withdrawn from fixed deposit, other than by credit to an account, in the depositor's own name, the receipt must be discharged by the depositor over a revenue stamp.

f) Deposit receipt is not transferable.

g) 'Received payment of principal and interest', 'received payment of interest', 'Please renew principal' and 'Please renew principal and interest', as the case may be, are desirable forms of endorsements. Instructions to pay the proceeds, to a third party or another bank, must be conveyed in a separate letter, the signature to which must be verified and the party identified, before payment is made.

h) Field functionaries are advised to bring the printing of PAN on Deposit receipt to the notice of the customers, so that customers may check the same and bring it into the notice of the branch in case of any discrepancy.

i) Ordinarily, a fixed deposit account should continue till its maturity. Though it is within the discretion of the bank to refund the fixed amount to the depositor, on written request, before due date, under conditions laid down by Reserve Bank of India, yet the depositor should be persuaded, to avail himself of an overdraft or demand loan against the deposit receipt according to his needs. In such an eventuality, overdraft or demand loan may be granted against surrender of the receipt, duly discharged, by the depositor(s), over a revenue stamp, and accompanied by a letter from him, on form no. PNB-308, requesting for such an accommodation.

j) The section In-charge shall ensure that all mandates, viz., either or survivor,Former or survivor, etc., are obtained at the time of opening/ renewal of an account.

k) **Payment of Maturity Amount on Non-Business Working Day-** Bank will ensure that payment of Term Deposits on or before the date of maturity is strictly as per mandate of customer. If a term deposit is maturing for payment on a non-business working day, banks shall pay interest at the originally contracted rate on the original principal deposit amount for the non-business working day, intervening between the date of the maturity of the specified term of the deposit and the date of payment of the proceeds of the deposit on the succeeding working day. Further, in case of reinvestment deposits and recurring deposits, banks shall pay interest for the intervening non-business working day on the maturity value. In addition to this, in case if a term deposit issued online through IBS/MBS with Auto Closure option as Yes, the bank will make payment of such deposits on the actual date of maturity only, whether a working day or non- business working day.

l) Fixed deposit accounts may be transferred, from one branch to another, before maturity, provided a request, in writing from the depositor(s), is received on a plain paper along with the fixed deposit receipt.

m) The depositor shall maintain an operative Saving Fund Account / Current Account with the bank wherever required. In absence of auto renewal or any other mandate, the proceeds of the deposit will be credited in the designated saving fund account.

m) Guidelines with respect to Deposit Receipt is to be followed by the branches in case of issuance of new term deposit/ renewal/ extension/ splitting of existing term deposits.

n) Depositors will be issued Deposit Receipt on PNB 1159, in respect of fresh fixed deposits in existing as well as new accounts.

o) The presentment of Deposit Receipt, at the time of renewal/ splitting/ extension/ payment/ transfer will be requested but not insisted upon. The request for the desired activity may be obtained on the back of the related confirmation letter or on a plain paper.

p) The bank is not entitled to withhold payment of the money; in case a deposit receipt is lost or destroyed by the depositor.

q) Where Deposit Receipt is reported lost, a letter to this effect will be obtained from the depositor and duplicate Deposit Receipt will be issued, without asking for the indemnity and after observing usual safeguards, viz. verification of signatures of the depositor, amount etc.

r) No duplicate Deposit Receipt should be issued without a request being made in person by the depositor/s themselves. Issuance of duplicate Deposit Receipt in the absence of the depositor/s can lead to perpetration of frauds. 7. It is advised to exercise utmost caution while catering to the requests for issuance of duplicate Deposit Receipt, if:

- AOF is not available/ found missing in the records.
- Identity of the depositor requesting is not well established/ known to the bank.
- Such request is made by the depositor without physically presenting himself/herself in the branch.

s) Keeping in view the perpetration of frauds, system will allow closure on the basis of only last Deposit Receipt printed. The process of closure of Fixed Deposit account is reiterated as under-

i. The check/validation has been placed by printing a System Generated Number (SGN) on every Deposit Receipt printed and during closure system will ask the user to enter the above SGN printed number. Only the last number (SGN) in combination with account being closed will be allowed for closure. Payment will be made only on the last Deposit Receipt printed whether original or duplicate.
ii. For the old accounts (prior to placing of check) where duplicate Deposit Receipt has been issued, confirmation will be sought from user closing the Fixed Deposit account that payment of duplicate Deposit Receipt only is being made and accordingly information of user making the payment will be captured.
iii. For Accounts where no Deposit Receipt has been printed so far, system will force user to print the Deposit Receipt first and then proceed for closure of the Fixed Deposit account after entering the SGN.

t) **Additional precautionary measures for Deposit Receipts: -**

i. The stock/custody of Deposit Receipt must remain with a designated officer staff of the branch under lock & key.
ii. In no case, Deposit Receipt should be left in the banking hall, over the counter to prevent the use by unauthorized person.
iii. Branch Head/Hall in charge to ensure only required number of stocks is handed over to dealing staff for printing of FDRs.
iv. Immediately on receipt of stock of Deposit Receipt from stationery center, it should be kept in safe place under lock & key of supervisory staff as narrated above.
v. Branch Head, Hall In-charge, Supervisory staff will pay close attention towards the activities under the branch premises to avoid instances of mis-selling, fraud etc.
vi. Concurrent/Regular Auditor will inspect and audit the compliance carried by the branch on aforementioned and will incorporate their observation in audit reports. The same will be ensured by checking/ inspecting that "Deposit Receipts" are kept in the custody of Bank official during the working hours and are not lying at any place accessible to any unauthorized person/general public. Further after office hours the same are kept under lock and key overnight similar to the security forms.

u) Further on presentment of old Term Deposit Receipts (printed on security form) for renewal/ extension/ splitting of term deposit, depositor will be required to give discharge on the TDR as per existing guidelines. The Term Deposit Receipt will be vouched, as per extant procedures and Deposit Receipt will be issued for renewed term deposit.

v) Branches are advised to ensure acceptance of cash over the counters from all their customers who desire to do so. This must be in line with the Know Your Customer requirements for customers and walk-in customers as per RBI and Bank Know Your Customer Policy.

## 37. VALIDITY AND REVIEW OF THE OPERATIONAL GUIDELINES.

The Operational Guidelines shall remain valid for twelve (12) months from the date of approval of Policy (Part-I) by the Board. The operational guidelines shall be subject to annual review.

Further, ORMC is authorized to extend validity of Operational Guidelines for a period up to three (3) months and the Board will be informed of such extension subsequently at the time of annual review.

**(Part I- Policy)**

# POLICY ON BASIC SAVINGS BANK DEPOSIT ACCOUNT (BSBDA)

**Division : Business Acquisition & Relationship Management Division**

**Version : 2026_BA&RM_1.0**

# Policy Custodian

| | |
|---|---|
| **Division** | **Business Acquisition & Relationship Management** |
| **Officer in-charge** | Divisional Head |
| **Policy Contact** | barm.sf@pnb.bank.in; barm.ca@pnb.bank.in |

# Policy Version Control

| S. No. | Version Number | Version Date | Summary of Changes |
|---|---|---|---|
| 1. | 2026_BA&RM_1.0 | 12.03.2026 | New Policy |

# Policy Governance

| | |
|---|---|
| **Frequency of Review** | Annual |
| **Last reviewed on** | - |
| **Approval Path** | ORMC → CSCB → Board |
| **Supersedes** | - |

# Contents

## Part I- Policy



## Part II – Operational Guidelines

## 1. POLICY OVERVIEW AND DETAILS

Basic Savings Bank Deposit (BSBD) Account was introduced as a savings bank account which offers certain minimum facilities, free of charge, to the holders of such accounts with an objective of deepening financial inclusion. The Basic Savings Bank Deposit (BSBD) Account is designed as a savings account to provide affordable banking facilities to the public at large. Every bank shall offer a BSBD account which shall be considered a normal banking service available to all.

To provide affordable banking facilities to public, to drive enhanced usage of BSBD accounts and also in the interest of better customer service for BSBD account holders, instructions on BSBD account have been circulated through amendment to the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.

## 2. DISCLOSURE OF THE POLICY

For the publicity the availability of BSBD accounts and its features to customers, the same shall be placed on bank's corporate website. Further customer shall be informed about the changes in the guidelines from time to time through banks website.

## 3. OWNERSHIP OF THE POLICY

BA&RM Division will be the owner division of the policy. Further, operational part of the Policy on Basic Saving Bank Deposit Accounts, will be under the joint ownership of BA&RM and HO: Financial Inclusion Division.

## 4. VALIDITY AND REVIEW OF THE POLICY

The policy shall remain valid for twelve (12) months from the date of approval by the Board and shall be subject to annual review.

Further, ORMC shall be authorized to:

a) to incorporate any changes necessitated in the policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy which will be deemed to be a part and parcel of the policy; and

b) extend validity of the Policy (Part I) for a period up to three (3) months and the Board will be informed of such extension subsequently at the time of annual review.

## 5. AUTHORITY FOR APPROVING OPERATIONAL GUIDELINES

Authority for operational guidelines is Operational Risk Management Committee.

## 6. REPORTING

NIL

## 7. RELAXATION/DEVIATIONS/ EXCLUSIONS

NIL

**(Part II-Operational Guidelines)**

# OPERATIONAL GUIDELINES FOR POLICY ON BASIC SAVING BANK DEPOSIT (BSBD) ACCOUNTS

**Division : Business Acquisition & Relationship Management Division**

**Version :** 2026_BA&RM_1.0

# Guidelines Custodian

| Division | Business Acquisition & Relationship Management Division |
|---|---|
| **Officer in-charge** | Divisional Head |
| **Guidelines Contact** | barm.sf@pnb.bank.in, barm.ca@pnb.bank.in |

# Guidelines Version Control

| S. No. | Version Number | Version Date | Summary of Changes |
|---|---|---|---|
| 1. | 2026-RLBD_1.0 | 12.03.2026 | New Policy |

# Guidelines Governance

| | |
|---|---|
| **Frequency of Review** | Annual |
| **Last reviewed on** | - |
| **Approval Path** | ORMC |
| **Supersedes** | - |

## 1. GENERAL GUIDELINES

Bank offers the following basic minimum facilities in a BSBD account free of charge, without any requirement of minimum balance to be maintained-

i. Deposit of cash
ii. Receipt of money through any electronic channel or deposit/ collection of cheques
iii. No limit on number and value of deposits that can be made in a month
iv. ATM Card or ATM-cum-Debit Card, further no charges shall be levied towards annual fee, either at the time of issuance or renewal
v. Cheque book with minimum 25 cheque leaves per financial year
vi. Internet and mobile banking facility
vii. Passbook or monthly statement of account in lieu of passbook, either in print or by email, as per request of the account holder
viii. Minimum of six free withdrawals, including transfers and ATM transactions (done either at the bank's own ATM or another bank's ATM), in a month (regulatory free withdrawals are four).
Digital payment transactions excluding ATM transactions, i.e., Point of Sale transfers, NEFT, RTGS, UPI, IMPS, etc., shall not be counted as withdrawals for this purpose and charges for the same shall be in accordance with bank/ regulatory guidelines.

a) The facilities of ATM/ ATM-cum-Debit card or internet/ mobile banking or cheque book shall be offered to a customer provided he/ she requests for the same, whether at the time of opening the account or subsequently.

b) In the case of existing BSBD accounts, branch shall extend the newly introduced free facilities at clause (v) to (vii) upon receipt of a request from the customer either through physical mode or digital channel.

c) Bank may provide additional facilities beyond the above minimum in a BSBD account, with or without charges, in a non-discretionary and non-discriminatory manner with transparent disclosure to the customer. However, while doing so, the bank shall not require the customer to maintain a minimum balance in the BSBD account. The availment of such additional facilities shall be at the option of the customer.

d) Opening and operation of BSBD accounts shall be subject to the instructions on KYC/ AML guidelines issued and amended by RBI and Bank from time to time. Further, BSBD accounts opened by or operated on behalf of minors shall be subject to the guidelines related to Minors issued by RBI and Bank from time to time.

e) There is no requirement of initial minimum deposit while opening of a BSBD account.

f) A customer may convert their existing savings bank account to a BSBD account. The bank shall convert the existing savings bank account to BSBD account within seven days of receipt of request in writing from the customer for such conversion. Such an option shall also be provided to customers through digital channels.

g) The holder of a BSBD account shall not be eligible to open another BSBD account in the same bank or any other bank. Accordingly, before opening a new BSBD account or converting an existing savings bank account to a BSBD account, the bank shall obtain a declaration from the customer that he/ she does not have a BSBD account in any bank.

## 2. VALIDITY AND REVIEW OF THE OPERATIONAL GUIDELINES.

The Operational Guidelines shall remain valid for twelve (12) months from the date of approval of Policy (Part-I) by the Board. The operational guidelines shall be subject to annual review.

Further, ORMC is authorized to extend validity of Operational Guidelines for a period up to three (3) months and the Board will be informed of such extension subsequently at the time of annual review.

**(Part I- Policy)**

# POLICY ON PENAL CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE IN SAVINGS BANK ACCOUNTS

**Division : Business Acquisition & Relationship Management Division**

**Version : 2026_BA&RM_1.0**

## Policy Custodian

| | |
|---|---|
| **Division** | **Business Acquisition & Relationship Management** |
| **Officer in-charge** | Divisional Head |
| **Policy Contact** | barm.sf@pnb.bank.in; barm.ca@pnb.bank.in |

## Policy Version Control

| S. No. | Version Number | Version Date | Summary of Changes |
|---|---|---|---|
| **1.** | **2026_BA&RM_1.0** | **12.03.2026** | **New Policy** |

## Policy Governance

| | |
|---|---|
| **Frequency of Review** | Annual |
| **Last reviewed on** | - |
| **Approval Path** | ORMC → CSCB → Board |
| **Supersedes** | - |

# Contents

## Part I- Policy

## 1. POLICY OVERVIEW

Framework for levy of penal charges on non-maintenance of minimum balance in Saving Accounts were circulated vide Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025.

## 2. POLICY DETAILS

### 2.1. LEVY OF PENAL CHARGES FOR NON-MAINTENANCE OF MINIMUM BALANCE IN SAVINGS BANK ACCOUNTS

While levying charges for non-maintenance of minimum balance in savings bank accounts, bank adheres to the following additional instructions:

a) As per extant guidelines, stipulation of minimum balance and service charges for non-maintenance of stipulated minimum balances in account will not apply to Staff Accounts, Pension Accounts and if specified under any scheme.

b) In the event of a default in maintenance of minimum balance/ average minimum balance as agreed to between the bank and customer, the bank notifies the customer clearly by SMS / email / letter, etc. that in the event of the minimum balance not being restored in the account within a month from the date of notice, penal charges shall be applicable.

c) In case the minimum balance is not restored within a reasonable period, which shall not be less than one month from the date of notice of shortfall, penal charges are recovered under intimation to the account holder.

d) The policy on penal charges to be so levied shall be decided with the approval of Board of the Bank or a Committee(s) to which powers have been delegated. Presently, the same has been vested with ED level Business Review Committee, through CGM level Business Review Committee.

e) The penal charges is directly proportionate to the extent of shortfall observed. In other words, the charges are a fixed percentage levied on the amount of difference between the actual balance maintained and the minimum balance as agreed upon at the time of opening of account. Bank may adopt a suitable slab structure for recovery of charges in this regard.

f) It is ensured that such penal charges are reasonable and not out of line with the average cost of providing the services.

g) Further, it is also ensured that the balance in the savings account does not turn into negative balance solely on account of levy of charges for non-maintenance of minimum balance. These instructions are brought to the notice of all customers apart from being disclosed on the bank's website.

h) The bank ensures that accounts of all student beneficiaries under the various Central/ State Government Scholarship Schemes are free from restrictions of 'minimum balance' and 'total credit limit.

Presently, penal charges in saving accounts for non-maintenance of minimum average balance- assessed on monthly, quarterly or half- yearly basis, has been waived w.e.f 01.07.2025, however applicable charges for the period up to 30.06.2025 including shortfall if any, shall be levied as per prevailing bank guidelines.

## 3. OWNERSHIP OF THE POLICY

Business Acquisition & Relationship Management Division will be the owner division of the policy.

## 4. VALIDITY AND REVIEW OF THE POLICY

The policy shall remain valid for twelve (12) months from the date of approval by the Board and shall be subject to annual review.

Further, ORMC shall be authorized to:

a) to incorporate any changes necessitated in the policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the policy which will be deemed to be a part and parcel of the policy; and
b) extend validity of the Policy (Part I) for a period up to three (3) months and the Board will be informed of such extension subsequently at the time of annual review.

## 5. AUTHORITY FOR APPROVING OPERATIONAL GUIDELINES

Authority for approving operational guidelines is Operational Risk Management Committee.

## 6. REPORTING

NIL

## 7. RELAXATION/DEVIATIONS/ EXCLUSIONS

NIL

**(Part I- Policy)**

# POLICY FOR LOCKER

**Division : Business Acquisition & Relationship Management Division**

**Version : 2026_BA&RM_1.0**

# Policy Custodian

| | |
|---|---|
| **Division** | **Business Acquisition & Relationship Management** |
| **Officer in-charge** | Divisional Head |
| **Policy Contact** | barm.sf@pnb.bank.in; barm.ca@pnb.bank.in |

# Policy Version Control

| S. No. | Version Number | Version Date | Summary of Changes |
|---|---|---|---|
| **1.** | **2022_RLBD_1.0** | **31.12.2021** | **New Policy** |
| 2. | 2023_RLBD_2.0 | 19.01.2023 | Deleted: The model locker agreement in conformity with the revised instructions shall be shared. Also, the new locker agreements to be obtained from all existing locker customers by January 1, 2023. |
| 3. | 2023_RLBD_2.0 | 19.01.2023 | Existing Locker Holder can avail the facility of:<br>a. Conversion of Single holding locker to joint holding; or,<br>b. change of joint holder of the locker (addition/ substitution of joint holder); or,<br>c. conversion of locker from joint holding to single holding<br>Without undergoing surrender formalities and with continuance of existing keys subject of submission of request letter and execution of locker agreement (the related agreement format circulated vide RLBD 19/2022 dated 02-07-2022) |
| | | | RBI vide circular no. RBI/2022-23/168 CO. CEPD.PRS.No.S1233/ 13-01-018/2022-2023 dated January 23, 2023, extended the deadline to renew the locker agreements with |

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| | | | existing locker customers in a phased manner.<br><br>Also, as per the RBI directions, IBA shared the Model Revised Safe Deposit Locker Agreement and Model Supplementary Safe Deposit Locker agreement on 28.02.2023. Accordingly Revised Safe Deposit Locker Agreement & Supplementary Locker Agreement were approved by the Board. |
| | | | Engraving of Bank's Name & Branch Code on Locker Keys<br><br>Engraving the Bank name and Branch Code on the locker keys is mandatory asper Instructions 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. Bank 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<br><br>It should be ensured that no locker cabinet is acquired without engraving of Bank Name and Branch Code on the locker keys.<br><br>In existing locker accounts locker keys should be engraved with Bank Name and Branch Code whenever |

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| | | | the locker-holder visits the branch to operate the locker. |
| | | | Risk Categorization of Locker Hirers<br><br>In terms of the RBI Directives, locker hirers will be classified into two categories only, i.e., Medium- Risk Locker Hirers and High-Risk Locker Hirers.<br><br>Accordingly, due diligence for both new and existing locker hirers will be carried out at least to the levels prescribed for customers classified as medium risk. In case of locker hirer classified as high risk, customer due diligence as per KYC norms applicableto such high-risk category will be carried out. The person authorized to operate the locker by lessee(s) will also be subjected tofull KYC Norms.<br><br>It will be mandatory for the locker-hirers to operate locker as under:<br>High Risk Lessee At least once in a year.<br>Medium Risk Lessee At least once in three years. |
| 4. | 2024_BA&RM_1.0 | 01.02.2024 | No change |
| 5. | 2025_BA&RM_1.0 | 15.06.2025 | **Objective/ Purpose**<br>RBI has advised Bank to frame its own Board approved policy/ operational guidelines in this regard vide RBI/ 2024-2022/86 DOR.LEG.REC/ 40/09.07.005/ 2021-22 dated August 18, 2021.<br>**Addition 3.3: Locker Agreement** - Clause related to One Time Registration Charge has been incorporated and made part of |

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| | | | Locker Agreement. The Revised Safe Deposit Locker Agreement [PNB 80R(2)] has been placed as Annexure E. |
| | | | **Addition: 11. Settlement of Claims in case of death of a Customer: 11.1.** Detailed guidelines in this regard has been issued vide Law Division Circular No. 03/2025 dated 09.04.2025. |
| | | | **Addition 15. Liability of bank.** For reporting about the instances of robberies, dacoities, thefts and burglaries guidance be sought vide Policy on Fraud Risk Management (FRMD Circular No. 16/2025 dated 05.05.2025) and subsequent guidelines.<br><br>**Addition 15.1** The Bank shall also not be liable for in any case for deterioration or damage to the contents of the Locker whether caused by rain, civil disturbance or commotion, riot or war or in the event of any terrorist attack or by any other similar cause(s).<br>The Bank shall be discharged of its obligations and shall not be liable for any cost, loss or liability incurred by the Customer (including for any damage and/or loss of contents of Locker) in the event the Locker is broken open and its contents dealt with in keeping with the provisions of this Agreement.<br>Regardless of the above, the Bank's liability on the Locker shall always be subject to limitation under the applicable law and regulation.<br>The contents of the Locker shall in no manner be considered insured by the |

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| | | | Bank, and the Bank shall not have any liability to insure the contents of the locker against any risk whatsoever. |
| | | | **21. Ownership of Policy:** HO: BA&RM (Business Acquisition and Relationship Management)- Deposit & Marketing is the owner Division for the Policy. |
| 6. | 2026_BARM_1.0 | | Addition of Point No. 1.1. under Para 1. |
| | | | Modification of sub para 2.2.2 under para 2.2. - Model Locker Agreement |
| | | | Deletion of Para - Addition, Deletion of name in Existing Locker Facility |
| | | | Addition of sub para 2.5.3. under para 2.5.-Locker Rent |
| | | | Modification in sub para – 3.1.3 under para 3.1. - Security of the Strong Room/ Vault |
| | | | Modification in sub para 3.2.3. under para 3.2. – Locker Standards |
| | | | Modification in Para 5 - Nomination |
| | | | Deletion of para - Settlement of Claims in case of death of a Customer- Related Guidelines & Access to the articles in the safe deposit lockers/ return of safe custody articles in case of death of locker holder- Related Guidelines |
| | | | Addition of Point (b) and (c) under para 8.1. - Attachment and recovery of contents in a Locker and the Articles in the safe custody of the bank by any Law Enforcement Authority. |
| | | | Addition of sub para 9.2., 9.3., 9.4. and 9.5. under para 9 - Discharge of locker contents by bank due to non-payment of locker rent. |

## Policy Governance

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|---|---|
| **Frequency of Review** | Annual |
| **Last reviewed on** | 27.06.2025 |
| **Approval Path** | ORMC → CSCB → Board |
| **Supersedes** | Policy for Locker (FY 2025-26) – BA&RM-Deposit & Marketing Circular No. 31/2025 |

# CONTENTS

## 1. Policy Overview

### 1.1. Objective/Purpose:

Punjab National Bank is offering Locker facility for its esteemed customers at it different branches. Safe Deposit Locker facility is one of the ancillary services provided by the Bank to its customers. Branches having locker facility are equipped with high security features and specially built strong rooms.

Taking into account recent developments in banking and technology, the nature of customer grievances and feedback from banks as well as the Indian Banks' Association (IBA), the Reserve Bank of India has reviewed the guidelines on Safe Deposit Locker facilities issued vide Circular No. RBI/2021-2022/86 DOR.LEG.REC/ 40/ 09.07.005/ 2021-22 dated August 18, 2021. Following this review, the Reserve Bank has directed banks to formulate their own Board-approved policies and operational guidelines for managing safe deposit locker services.

RBI with an aim to consolidate the various regulatory instructions issued by them on customer service and conduct aspects to Commercial Banks, has issued RBI/ DOR/2025-26/170 DOR.MCS.REC.No.89/01-01-032/2025-26 - Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025 dated 28th November, 2025.

### 1.2. Applicability:

The policy shall be applicable to both new and existing safe deposit locker and safe custody article facility with the bank.

### 1.3. Policy Change and Frequency of Review:

The policy shall be valid for 12 months from the date of approval by the Board. However, if required due to Regulatory Guidelines, the Policy shall be reviewed earlier.

## 2. Allotment of Lockers

### 2.1. Customer Due Diligence (CDD)

2.1.1. The existing customers of the bank who have made an application for locker facility and who are fully compliant with the customer due diligence criteria as per guidelines of Know Your Customer (KYC) Policy of the Bank (updated from time to time) may be given the facilities of safe deposit lockers/ safe custody article subject to on-going compliance.

2.1.2. Customers who are not having any other banking relationship with the bank may be given the facilities of safe deposit locker/ safe custody article after complying with the CDD criteria under Know Your Customer (KYC) Policy of the Bank (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.

2.1.3. The locker-hirer(s) shall not keep anything illegal or any hazardous substance in the Safe Deposit locker. Locker shall be used only for legitimate purposes such as storing of valuables like jewelry and documents etc., but not for storing any cash or currency. 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.

2.1.4. Existing locker holder shall have the facility of conversion of single holding locker to joint holding; or, conversion of locker from joint holding to single holding; or, change of joint holder of the locker (addition/substitution of joint holder); without undergoing surrender formalities and with continuance of existing keys after completing formalities in this regard. The request letter is to be signed by existing and new locker holder, whereas the locker agreement is to be executed by existing, outgoing and new locker holders. However, substitution/exclusion of **primary locker holder** (first holder) is not allowed, in such cases the locker is to be surrendered. Further, it is clarified that maximum number of locker holders can be three.

## 2.2. Model Locker Agreement

2.2.1. At the time of allotment of the locker to a customer, the bank shall enter into an agreement with the customer(s) to whom the locker facility is provided, through the prescribed agreement 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 Locker Agreement shall be retained with the bank's branch where the locker is situated.

2.2.2. There may be instances, where the agreements already executed by a bank are at variance with the IBA Model Agreement. In such cases, all the provisions related to compensation policy/ liability of banks, shall continue to apply to them even if not explicitly stated in the agreements already executed. Further, in such cases, the bank will execute fresh agreements or revise them through supplementary agreements. The cost of stamp paper in such cases shall be borne by the bank.

The Safe Deposit Locker Agreement containing format of covering Letter to be obtained from the Customers currently holding lockers and Power of Attorney [**Annexure A:** PNB80 R1(A)] and Supplementary Safe Deposit Locker Agreement [**Annexure B:** PNB 80 R1(B)] have been received from IBA for adoption by Bank. Clause related to One Time Registration Charge has been incorporated and made part of Locker Agreement. Accordingly, Safe Deposit Locker Agreement was revised and circulated vide HO: BA&RM – Saving Deposit Cir. No. 24/2024 dated 31.07.2024. The same has been placed as **Annexure – C [PNB 80R (2)].**

2.2.3. Accordingly, the agreement is to be executed between the Bank and Lessee on undernoted format:

| Scenario | Agreement Forms to be obtained |
|---|---|
| Leasing of Locker – Fresh | **PNB 80R2** (Annexure – C) Cost of Stamp is to be borne by Lessee. |
| Agreement executed on PNB 80R1 (A) | **PNB 80R1 (B)** (Annexure – B) – Cost of Stamp is to be borne by Bank. |
| case of conversion of Locker from Single to Joint or Joint to Single | **PNB 80R2** (Annexure – C) along with Annexure – D and Annexure – E |

### 2.3. Locker Rent

2.3.1. There can be a potential situation where the locker-hirer neither operates the locker nor pays the rent. To ensure prompt payment of locker rent, Term Deposit under income option shall be obtained, at the time of allotment, which would cover three years' rent and the charges for breaking open the locker plus ₹1000/- (exclusive of GST), in case of eventuality. However, obtention of such Term Deposits from the existing locker holders or those who have satisfactory operative account shall not be insisted upon. The packaging of allotment of locker facility with placement of term deposits beyond what is specifically permitted, being restrictive practice, is not allowed.

2.3.2. Staff including honorably retired staff shall be allowed relaxation in locker rent and charges as per extant guidelines issued from time to time.

2.3.3. 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 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, the bank will make efforts to intimate its customers suitably at the earliest.

## 3. Infrastructure and Security Standards

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

3.1.1. 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. There shall be 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 will also be assessed and minimized. Regular necessary engineering/ safety verification shall be conducted to identify the risks and carry out necessary rectification.

3.1.2. The area housing the lockers should remain adequately guarded at all times. Access Control System may be installed, if required as per risk assessment, which would restrict any unauthorized entry and create digital record of access to locker room with time log. The entry and exit of the strong room and the common areas of operation be covered under CCTV camera and the recording shall be preserved 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 CCTV recording shall be preserved till the police investigation is completed and the dispute is settled.

3.1.3. The security procedures should be well documented and the concerned staff be properly trained. 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 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. In case the lockers are being operated through an electronic system, reasonable steps be taken to ensure that the system is protected against hacking or any breach of security. The customers' personal data, including their biometric data, shall not be shared with third parties without their consent. Further, bank will ensure that the electronically operated lockers are compliant with the Cyber Security Framework of the Bank. The system should be capable of maintaining unalterable log of locker activities. The relevant statutory/ regulatory guidelines/requirements applicable for

IT/ data protection shall be complied. The standard operating procedure for issue of new password in lieu of lost passwords to customers in a safe and secure manner in case of electronically operated lockers has been devised by the bank.

3.2.3. The 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 shall, regularly/ periodically, check the keys maintained in the branch to ensure that they are in proper condition. The bank 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.

## 4. Risk Categorization of Locker Hirers

In terms of the RBI Directives, locker hirers is classified into two categories- Medium Risk Locker Hirers and High Risk Locker Hirers.

Accordingly, due diligence for both new and existing locker hirers will be carried out at least to the levels prescribed for customers classified as medium risk. In case locker hirer is classified as high risk, customer due diligence as per Know Your Customer Policy of the Bank applicable to high-risk category will be carried out. The person authorized to operate the locker by lessee(s) will also be subjected to full KYC Norms.

It will be mandatory for the locker-hirers to operate locker as under:

- i. High Risk Lessee at least once in a year.
- ii. Medium Risk Lessee at least once in three years.

## 5. Nomination Facility

The nomination facility in case of safe deposit lockers and safe custody of articles, in accordance with the provisions of section 45-ZC to 45-ZF of the Banking Regulation Act, 1949 and Banking Companies (Nomination) Rules, 1985 and Banking Laws (Amendment) Act, 2025 is available. The nomination to be made by an individual or as the case may be, all the individuals together, who hire a locker whether such locker is located in the safe deposit vault of bank or elsewhere or in respect of articles left in safe custody with bank, shall be in favour of one or more individuals not exceeding four, successively.

Individuals maintaining articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession. Where the nomination is made successively in favour of more than one person, the nomination will be effective only in favour of one person in the order of priority as given below:

i. Nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;
ii. Nomination of the second nominee shall become effective only after the death of the first nominee;
iii. Nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.

Where the order of nomination is not mentioned, persons shall be deemed to have been nominated in the order in which their names appear in the nomination form.

**6. Settlement of Claims and Access to the articles in the safe deposit lockers/ return of safe custody articles in case of death of locker holder**

The process of settlement of claims and Access to the articles in the safe deposit lockers/ return of safe custody articles in case of death of locker holder will be governed by the guidelines circulated by HO: Law Division.

**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:

a) if the hirer loses the key and requests for breaking open the locker at her /his cost; or

b) 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

c) 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.

**8. Discharge of locker contents at the request of customer**

a) If the key of 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. The charges for opening break open of locker, changing the lock and replacing the lost key plus ₹1000/- (exclusive of GST) be recovered from the hirer. The charges applicable for replacement of lost keys/ issue of new password shall be communicated to the locker hirer.

b) 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 of locker key and written authorization by the customer for breaking open the locker.

c) 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.

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

a) 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 bank shall co-operate in execution and implementation of the orders.

b) 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 address/ 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 will 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.

c) 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.

## 10. Discharge of locker contents by bank due to non-payment of locker rent

10.1. The break-open of any locker as per due procedure, if the rent has not been paid by the customer for three years in a row shall be done.

The bank shall 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 is incorporated in the locker agreement to this effect.

10.2. Before breaking open the locker, bank will give due notice to the locker-hirer through a letter and through email and SMS alert to the registered email address 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.

10.3. The locker will be broken open in the presence of an officer of a bank and two independent witnesses. In case of electronically operated lockers (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved. Further, the 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. The bank will also ensure that the details of breaking open of locker is documented in CBS, apart from locker register.

10.4. 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, a bank shall obtain acknowledgement of the customer on the inventory list to avoid any dispute in future.

10.5. A bank shall ensure that the inventory prepared after breaking open of the locker, is as per **Annexure-F** (effective on or after April 1, 2026) or as near thereto as circumstances require. Further, the 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.

## 11. Discharge of locker contents if the locker remains inoperative for a long period of time

10.1. 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 will transfer 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 due procedure as prescribed will be followed.

10.2. A clause has also 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.

## 12. Compensation Policy/Liability

### 12.1. Liability of a bank

The bank owes a duty of care to exercise due diligence in maintaining and operating its locker and 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. Reporting about the instances of robberies, dacoities, thefts and burglaries be undertaken in accordance to the Policy on Fraud Risk Management.

### 12.2. The Bank's Discharge from Obligations & Liability

12.2.1. The Bank shall not be liable for in any case for deterioration or damage to the contents of the Locker whether caused by rain, flood, earthquake, lighting, civil disturbance or commotion, riot or war or in the event of any terrorist attack or by any other similar cause(s). Bank will, however, exercise appropriate care of their locker systems to protect their premises from such catastrophes.

12.2.2. The Bank shall not be liable for any damage/ loss of contents of the Locker arising from any act that is attributable to the fault or negligence of the customer whatsoever.

12.2.3. The Bank shall be discharged of its obligations and shall not be liable for any cost, loss or liability incurred by the Customer (including for any damage and/or loss of contents of Locker) in the event the Locker is broken open and its contents dealt with in keeping with the provisions of this Agreement.

12.2.4. Regardless of the above, the Bank's liability on the Locker shall always be subject to limitation under the applicable law and regulation.

12.2.5. The contents of the Locker shall in no manner be considered insured by the Bank, and the Bank shall not have any liability to insure the contents of the locker against any risk whatsoever.

**12.3. 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 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 bank's liability shall be for an amount equivalent to one hundred times the prevailing annual rent of the safe deposit locker.

There are instances when locker rent is overdue/ concession in annual locker rent is allowed/ premium upon annual locker rent is charged. Accordingly, such instances and bank's liability in such instances are as under:

| Sl. No. | Instances | Liability for Resolution |
|---|---|---|
| 1. | **The Staff/officials of Bank** are allowed to hire one Locker **at concessional annual locker rent (concession allowed 75%)** | Since the annual Locker rent is reduced by 75%, hence the Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/commission on part of Bank shall be one hundred times of actual annual Locker rent paid. |
| 2. | Locker **rent is not paid/ overdue** | Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/ commission on part of Bank shall be one hundred times of prevailing annual locker rent and the amount of annual locker rent dues including |

| Sl. No. | Instances | Liability for Resolution |
|---|---|---|
| | | penalty/charges, if any shall be recovered from claim amount. |
| 3. | The locker hirer pays locker rent in advance for five years and **during this period, the rent is changed.** Whether Bank's liability shall be on basis of annual rent actually paid by the hirer or on basis of changed rent. | Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/ commission on part of Bank shall be one hundred times of undiscounted annual Locker rent and not on the revised annual locker rent. |
| 4. | Various CASA products such as PNB Salary Saving, PNB Women Power, PNB Pragati Current Account, PNB Smart Banking Current Account etc. provides **discount in annual Locker rent.** Whether Bank's liability shall be on basis of annual rent actually paid by Locker hirer or on basis of prevailing Locker rent. | Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/ commission on part of Bank shall be one hundred times of actual annual locker rent paid. |
| 5. | **In identified metro branches a premium of 25% in Locker rent is charged.** In such cases the basis for calculation of Bank's liability shall be prevailing annual locker rent or rent inclusive of premium. | Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/ commission on part of Bank shall be one hundred times of annual locker rent paid inclusive of premium. |
| 6. | Incentivized **advance locker rent for 5 years has been received** | Bank's liability in incidents mentioned above due to shortcomings, negligence or any act of omission/ commission on part of Bank shall be one hundred times of prevailing annual locker rent without any discount. |

## 13. Risk Management, Transparency and Customer Guidance

### 13.1. Branch Insurance Policy

Bank has a branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, and loss during shifting/merger of branch, etc., affecting contents of lockers.

### 13.2. Insurance of locker contents by the customer

It is clarified in locker agreement that as Bank/ branch (es) 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. Bank will under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

### 13.3. Customer guidance and publicity

13.3.1. Bank displays the Locker Agreement with all the Terms & Conditions and Standard Operating Procedures (SOPs) on various aspects on corporate website for public viewing. The branches shall ensure that the customers are made aware of the terms and conditions to avail those facilities.

13.3.2. The updated information on all kinds of charges for safe deposit lockers and safe custody articles is also displayed on corporate websites.

13.3.3. The instructions together with the policies/ procedures will be displayed with regard to 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. A printed copy of the same shall also be given to the nominee(s)/ survivor(s)/ legal heir(s) through branches.

## 14. Authority for approving Operational Guidelines

Operational Risk Management Committee (ORMC) is the Authority for approving Operational Guidelines.

## 15. Disclosure of Policy

The Policy is meant only for internal use of staff and would be placed only on Bank's intranet.

## 16. Ownership of Policy

HO: BA & RM (Business Acquisition and Relationship Management Division-Deposit & Marketing) is the owner Division for the Policy.

## 17. Validity and Review of Policy

The policy shall remain valid for 12 months from the date of approval by the Board and shall be subject to annual review.

Further, Operational Risk Management Committee (ORMC) shall be authorized to:

**a)** incorporate any changes necessitated in the Policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the Policy (Part – I); and

**b)** extend the validity of the Policy (Part – I) for a period up to three months and the Board will be informed of such extension subsequently at the time of annual review.

## 18. Reporting

Nil

## 19. Relaxation/Deviation/Exclusion

Nil.

**Annexure A – PNB 80 R1 (A)**

*[Stamp as Agreement]*

## SAFE DEPOSIT LOCKER AGREEMENT

**THIS LOCKER AGREEMENT IS MADE BETWEEN THE BANK AND ITS CUSTOMER AT THE PLACE AND ON THE DATE AS STATED IN THE SCHEDULE HERETO (THE "AGREEMENT").**

The expression "the Bank" shall include its successors, administrator and assigns and the expression "the Customer" shall include, when the Customer is:

(a) one or more individuals, his/ her/ their heirs(s), executor(s), administrator(s) and legal representative(s);

(b) a proprietorship firm, the proprietor and his/ her heirs(s), executor(s), administrator(s) and legal representative(s);

(c) a partnership firm, such firm and its successor, such firm's partners, the survivor or survivors among them and the heir(s), executor(s), administrator(s), legal representative(s) of each one of them;

(d) a Hindu Undivided Family (HUF), its members and their survivor(s), legal heir(s), executor(s), administrator(s) and legal representative(s); and

(e) a limited company, its successors.

(The Bank and the Customer are each referred to as a "**Party**" and collectively as "**Parties**")

**WHEREAS:**

(A) The safe deposit locker facility having locker number ___________ at B/o_______________ is being availed by Shri/Smt/Ms ____________________and , Shri/Smt/Ms.________________________and Shri/Smt/Ms._______________

(B) Existing safe deposit locker facility holder/s have decided to include following as new member(s)Joint holder(s) in the existing safe deposit locker facility:

**1.** ______________________________
**2.** ______________________________

AND/OR

(C) Existing safe deposit locker facility holder/s have decided to exclude following member/(s)Joint holder(s) from the existing safe deposit locker facility:

**1.** _________________________
**2.** _________________________

(Inclusion (Point B): In case new member(s)/Joint holders is/are being included in the Safe Deposit Locker Facility)
(Exclusion (Point C): In case existing member(s)/Joint holders is/are being excluded from the Safe Deposit Locker Facility)
(Variance, i.e., Inclusion as well as Exclusion (Both Point B and Point C): In case new member(s)/Joint holders are being included in the Safe Deposit Locker Facility and simultaneously existing member(s)/Joint holders are being excluded from the Safe Deposit Locker Facility or vice versa)

(D) The Customer being desirous to continue safe deposit locker facility, have approached the Bank for such facility continuance along with members changes as stipulated above;

(E) The Bank is agreeable to provide to the Customer/s the continuance of existing safe deposit locker facility along with member changes as stipulated above subject to certain terms and conditions; and

(F) The Parties have decided to enter into this Agreement to set out the understanding between them in this regard.

**IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:**

**1. <u>LOCKER LICENCE</u>**

1.1 The Bank as a licensor hereby grants to the Customer as a licensee, the licence to use the safe deposit locker, the details of which are more particularly described in the Schedule to this Agreement (hereinafter referred to as the "**Locker**"), subject to the terms and conditions as set out under this Agreement.

1.2 The Customer hereby accepts the license granted in terms hereof for fee as specified in the Schedule by way of rent (the "**Rent**").

1.3 The license to use the Locker hereby granted is:

(a) Personal and for the Customer's own use and not for the use of any person other than the Customer;

(b) Non- transferable;

(c) Only for legitimate purposes such as storing of valuables like jewelry and documents but not for storing any cash or currency;

(d) Not for storing:

(i) arms, weapons, explosives, drugs and/ or any contraband material; and/ or

(ii) any perishable material and/ or radioactive material and/ or any illegal substance; and/or

(iii) any material which can create any hazard or nuisance to the Bank or to any of its customers.

1.4 The Customer shall have no right or property in the Locker other than the right to access and use the Locker in accordance with the terms and conditions specified under this Agreement.

1.5 The Customer shall be allowed to operate the Locker:

(a) On a working day of the Bank during the specific time notified from time to time by the Bank for locker operation and in absence of such notification, during the business hours of the Bank. However, in the event of the Bank is not being able to operate for any reason beyond its control such as flood, riot, curfew, lockout, etc., the Bank shall not have any obligation to allow operation of Locker;

(b) After the Customer entering the details of such operation in the Bank's records in the form and manner as stipulated by the Bank; and

(c) After the Customer provides identity proof, if so demanded by the Bank.

## 2. CUSTOMER'S UNDERTAKINGS AND OBLIGATIONS

2.1. The Customer shall:

(a) Use the Locker only for the purpose for which it is provided and in accordance with applicable law and regulations;

(b) Abide by rules and regulations for locker operation as the Bank may from time to time adopt;

(c) Keep the key, password or any other identification mechanism provided by the Bank for opening of the Locker in a place of safety, not share the same with any other person and not allow the same to fall into hands of any other person, so as to save unauthorized use of the Locker;

(d) Operate the Locker only using the key, password or any other identification mechanism provided by the Bank and not otherwise;

(e) Not to temper with or make a copy of key or any other identification mechanism provided by the Bank for operation of the Locker;

(f) Inform the Bank forthwith in case of loss of the key, password or any other identification mechanism provided by the Bank for the operation of the Locker;

(g) Return forthwith to the Bank in case of finding the key, password or any other identification mechanism provided by the Bank for the operation of the Locker, earlier having been reported to the Bank as lost;

(h) Pay to the Bank the Rent when due and bear all costs incurred by the Bank for-

(i) Changing the lock and repairs to the Locker on the Customer's reporting of loss of key provided by the Bank; and

(ii) Breaking open of the Locker in terms of this Agreement.

(i) Inform the Bank forthwith in case of the change of address of the Customer providing new address and contact details including phone number, email id, mobile number, etc.

(j) Customer/Incoming member(s) confirm that addition of new members and/or exclusion of old members as stipulated in this agreement is being done with the concurrence of existing/new members and as such there is no dispute amongst them or with any third party regarding content/rent/operation, etc., of the locker or otherwise and no such dispute shall be raised in future.

(k) Customer/ /Incoming member(s) hereby confirms that to the best of their knowledge there is no attachment/lien/encumbrance with the present safe deposit locker facility.

(l) Customer/~~Excluded~~/Incoming member(s) hereby undertakes and agrees to indemnify PNB, its successors and assigns at all times and from time to time from and against all loss, damage and all actions, suits, proceedings, expenses, costs, charges and demands arising out of dispute regarding content of the safe deposit locker or otherwise.

2 A: **UNDERTAKINGS OF OUGOING MEMBER(S)/JOINT HOLDER(S)**

a) Outgoing member(s) confirm that addition of new members and/or his/their exclusion as stipulated in this agreement is being done with his/their concurrence.
b) As such, outgoing member(s) confirms that with respect to content/rent/operation, etc., of the locker there is no dispute with current safe deposit facility holder(s) or third party and no such dispute shall be raised in future.
c) Outgoing member(s) hereby undertakes and agrees to indemnify PNB, its successors and assigns at all times and from time to time from and against all loss, damage and all actions, suits, proceedings, expenses, costs, charges and demands arising out of dispute regarding content of the safe deposit locker or otherwise.
d) Outgoing member(s) hereby confirms that to the best of their knowledge there is no attachment/lien/encumbrance with the present safe deposit locker facility.

**3.** <u>BANK'S RIGHTS</u>

3.1 The Bank shall have a right to:

(a) Recover the Rent and any other cost incurred by the Bank in relation to the Locker to the debit of the Customer's account, in the event the same is not paid by the Customer, when due; and

(b) Refuse access to the Locker-

(i) In case the rent due on the Locker remains unpaid; and

(ii) Customer fails to provide proof of identity when demanded by the Bank, at the time of seeking access to the Locker.

3.2 **Termination of License**

3.2.1 The Bank shall have, in the event of the Customer's breach of or default under this Agreement and/ or the Bank being of the view that the Customer is not co-operating and/or complying with the terms and conditions of this Agreement, a right to terminate this Agreement and the license granted hereunder, after issuing to the Customer a prior written notice of not less than 3 (three) months by registered post or speed post (and also by (i) email where email id of the Customer is available; and (ii) SMS and/or WhatsApp where the mobile phone number of the Customer is available) ("**Termination Notice**").

3.2.2 Upon receipt of the Termination Notice, the Licensor shall forthwith and before the end of the notice period stipulated under the Termination Notice surrender and vacate the Locker and handover the keys, password or any other identification mechanism and documents provided by the Bank for opening of the Locker, to the Bank.

**3.3 Breaking open of the Locker and dealing with its contents**

3.3.1 The Bank shall have a right to break open the Locker and deal with its contents in accordance with the provisions under this Agreement, the Bank's internal policy (ies) and procedure(s) and the applicable laws and regulations, in case of any one or more of the following events-

a) In the event Termination Notice in accordance with Clause 3.2.1 hereof is served to the Customer and the Customer does not surrender and vacate the Locker after the end of the notice period stipulated under the Termination Notice;

b) The Rent remains unpaid for 3 (three) consecutive years; and

c) The Locker remains inoperative (irrespective of whether Rent is paid or not) for a period of 7 (seven) years or more; and the Customer cannot be located by the Bank.

3.3.2 Before exercising the right to break open the Locker, the Bank shall send to the Customer a notice (in addition to the Termination Notice under Clause 3.2.1 above) in writing of not less than 3 (three) months by registered post/ speed post (and also by (i) email where email id of the Customer is available; and (ii) SMS and/or WhatsApp where the mobile phone number of the Customer is available) of the Bank's proposed action of breaking open of the Locker ("**Break Open Notice**").

3.3.3 Notwithstanding, anything contained under this Agreement the Bank shall take all possible efforts to contact the Customer by sending messages on mobile phone of the Customer, sending a personal messenger to the Customer's address, making phone calls on the Customer's land line/ mobile phone, etc., before breaking open of the Locker.

3.3.4 In case the Termination Notice and the Breaking Open Notice as foresaid sent by the Bank is returned undelivered or the Customer is not found to be traceable despite the Bank having taken reasonable efforts including those stated under Clause 3.3.2 and 3.3.3 above, the Bank shall, before breaking open the Locker, issue a public notice of not less than 3 (three) months about the Bank's intention to break open the Locker, in minimum 2 (two) newspapers (one in English and another in local language) in the same location where the Customer resides as evidenced by the Customer's address as stated in the Agreement or as further communicated by the Customer to the Bank.

3.3.5 The breaking open of Locker would be done in the presence of a committee consisting of 2 (two) officers of the Bank and 2 (two) independent persons acting as witnesses. In the event of electronically operated Locker (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved.

3.3.6 Upon breaking open of the Locker, having followed the procedure as set out above, the Bank shall prepare inventory of the contents of the Locker and get valuation of the contents done by the Bank's approved Valuer and the contents of the Locker shall be kept in sealed envelope along with detailed inventory inside a fireproof safe in a tamper-proof way.

3.3.7 In addition to the above, the Bank shall also record a video of the break open process together with inventory assessment and safe keep and preserve the same so as to provide evidence in case of any dispute or court case in future.

3.3.8 Furthermore, the Bank shall also ensure that the details of breaking open of locker is documented in the Bank's Core Banking System (CBS) or any other computerized system compliant with the Cyber Security Framework issued by RBI from time to time, apart from locker register.

3.3.9 Disposal of the articles of the Locker as recorded in the inventory prepared in the manner as stated in the paragraphs above, shall be done either by sale in public auction and the sale proceeds shall be applied first towards the Customer's dues to the Bank (including outstanding Rent, breaking open charges and any other dues) and balance be refunded to the Customer or held for the disposal at the order of the Customer.

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

**4.** <u>THE BANK'S DISCHARGE FROM OBLIGATIONS AND LIABILITY</u>

4.1. The Bank shall not be liable for in any case for deterioration or damage to the contents of the Locker whether caused by rain, fire, flood, earthquake, lighting, civil disturbance or commotion, riot or war or in the event of any terrorist attack or by any other similar cause(s).

4.2. The Bank shall not be liable for any damage/ loss of contents of the Locker arising from any act that is attributable to the fault or negligence of the Customer whatsoever.

4.3. The Bank shall be discharged of its obligations and shall not be liable for any cost, loss or liability incurred by the Customer (including for any damage and/or loss of contents of Locker) in the event the Locker is broken open and its contents dealt with in keeping with the provisions of this Agreement.

4.4. Regardless of the above, the Bank's liability on the Locker shall always be subject to limitation under the applicable law and regulation.

4.5. The contents of the Locker shall in no manner be considered insured by the Bank, and the Bank shall not have any liability to insure the contents of the locker against any risk whatsoever.

**5.** <u>LAW AND JURISDICTION</u>

This Agreement is made subject to Indian law and all matters arising out of it shall be subject to the jurisdiction of courts at the place where the Bank is situated or in the jurisdiction of which the Bank falls.

**<u>SCHEDULE</u>**

| | | |
|---|---|---|
| **Place:** | | **Date:** |
| **1. PARTIED TO THIS AGREEMENT** | | |
| **1(A)** | **THE BANK** | **[●],** incorporated in under [●] and operating in these presents through its branch as stated below |
| | **BRANCH** | |

<table>
<tr><td rowspan="4">1(B)</td><td rowspan="4">THE CUSTOMER</td><td>NAME AND ADDRESS:</td><td>NAME AND ADDRESS OF EXISTING MEMBER(S):</td><td>NAME AND ADDRESS OF INCOMING MEMBER(S):</td><td>NAME AND ADDRESS OF OUTGOING MEMBER(S):</td></tr>
<tr><td>1<br>Name:<br>Address:<br>Email ID:<br>Telephone Number:<br>Mobile Number:<br>(Primary Holder)</td><td></td><td></td><td></td></tr>
<tr><td>2<br>Name:<br>Address:<br>Email ID:<br>Telephone Number:<br>Mobile Number:</td><td></td><td></td><td></td></tr>
<tr><td>3<br>Name:<br>Address:<br>Email ID:<br>Telephone Number:<br>Mobile Number:</td><td></td><td></td><td></td></tr>
<tr><td rowspan="2">2</td><td rowspan="2">DESCRIPTION OF LOCKER</td><td colspan="4">LOCKER NUMBER:</td></tr>
<tr><td colspan="4">KEY NUMBER:</td></tr>
<tr><td>3</td><td>LOCKER RENT PER YEAR</td><td colspan="4">Rs.(in figures):______________________________________<br>Rupees(in words):__________________________________<br>(As may be revised from time to time)<br>(Payable in advance)</td></tr>
<tr><td>4</td><td>PERIOD OF</td><td colspan="4">1 (One) year from the date of this Agreement which at the</td></tr>
</table>

| | | |
|---|---|---|
| | **LICENCE** | **end of such one year shall stand automatically extended for a further period of 1 (one) year every time unless terminated in terms hereof.** |
| **5** | **OPERATING MANDATE** | |
| **6** | **ANY OTHER TERM** | |

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement.

| **For the Customer** | | | | | |
|---|---|---|---|---|---|
| | **EXISTING MEMBER/** | **EXISTING MEMBER/ INCOMING MEMBER/OUTGOING MEMBER*** | **EXISTING MEMBER/ INCOMING MEMBER/OUTGOING MEMBER*** | **EXISTING MEMBER/ INCOMING MEMBER/OUTGOING MEMBER*** | **EXISTING MEMBER/ INCOMING MEMBER/OUTGOING MEMBER*** |
| **Signature** | | | | | |
| **Name** | | | | | |
| **Designation/ Capacity*** | | | | | |
| • **POINT 2A SHALL BE APPLICABLE TO OUTGOING MEMBER(S) ONLY, IF ANY** | | | | | |

(*in case where the Customer is non-individual/ not signing in person)

| **For the Bank [Bank Name/ Branch Name]:** |
|---|
| Signature: |
| **Name of the signatory:** |
| **Designation:** |

...the name you can BANK upon!

पंजाब नैशनल बैंक
punjab national bank

कॉर्पोरेट कार्यालय: प्लॉट सं.4, सेक्टर-10,
द्वारका, नई दिल्ली-110075
Corp. Office: Plot No. 4, Sector - 10,
Dwarka, New Delhi 110075 India

**Covering Letter to be obtained from the Customers currently holding lockers**

Place:
Date:

To
**The Manager**
________________ **Bank**
________________ **Branch**

Dear Sir/ Madam,

**Subject: Safe Deposit Locker- No: __________**

1. I/ We have been granted by you the subject facility in terms of the agreement dated ___________________ executed by me/ us ("**Earlier Agreement**").

2. In this connection, I/ We enclose herewith and tender to you a new safe deposit locker agreement (as required under the circular dated August 18, 2021, issued by the Reserve Bank of India bearing number RBI/ 2021-2022/ 86 DOR.LEG.REC/ 40/09.07.005/2021-22, titled Safe Deposit Locker/ Safe Custody Article Facility provided by the banks- Revised Instructions, as may be amended, modified, replaced and/or supplemented from time to time) executed by me/ us ("**New Agreement**") in substitution and/ or replacement of the Earlier Agreement.

3. I/ We also expressly understand, acknowledge and agree in this connection that the terms and conditions as stated in the New Agreement shall henceforth apply to the subject facility and the New Agreement shall on and from the date of execution of the New Agreement prevail over the Earlier Agreement in its entirety.

Yours faithfully,

| | **1** | **2** | **3** |
|---|---|---|---|
| **Signature** | | | |
| **Name** | | | |

| | | | |
|---|---|---|---|
| | | | |
| **Designation/ Capacity*** | | | |

(*in case where the Customer is non-individual/ not signing in person)

**(Customer)**

Enclosure: New Agreement as above.

## POWER OF ATTORNEY

**(To be stamped as special Power of Attorney as per rates prevailing in the States and attested by a Notary/Magistrate)**

This Power of Attorney is made and executed on this________________ day of ____________month in the Year___________.

**BETWEEN**

Shri/Ms________________________________________________________________ _______Son/Wife/Daughter of ____________________________________________________________ residing at ______________________________________________________________________.
Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of individual(s)).*

**OR**

M/S__________________________________________________________________ ________ having its registered/principal office at ______________________________________________ acting through its authorized person/partner Shri/Ms __________________________________ vide Board Resolution/Authorization letter dt. _______________________________________.
Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of Proprietorship Firm/Partnership firm/limited company).*

**OR**

Hindu Undivided Family _________________________________________________________ having its address at ____________________________________________________________ acting through its Karta Shri _______________________________________________________ S/o Late ________________________________________________________________________

Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of HUF).*

**AND**

Shri/Ms_______________________________________________________________ _____Son/Wife/Daughter of ____________________________________________________________ residing at ______________________________________________________________________.
Hereinafter referred to and called as the **"Attorney"**

Whereas,

4. I/ We have been granted by Punjab National Bank the facility of Safe Deposit Locker/ Safe Custody Article Facility bearing number _________________________ in terms of the agreement dated ____________________ executed by me/us ("**Earlier Agreement**").

5. I/ We have agreed to enter into a new agreement (as required under the circular dated August 18, 2021, issued by the Reserve Bank of India bearing number RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22, titled Safe Deposit Locker/ Safe Custody Article Facility provided by the banks- Revised Instructions, as may be amended, modified, replaced and/or supplemented from time to time) executed by me/us ("**New Agreement**") in substitution and/ or replacement of the Earlier Agreement.

6. Earlier, we had authorized Shri/ Ms ______________________________Son/ Daughter/ Wife of Shri ________________________________________ the authorization to operate the Safe Deposit Locker/ Safe Custody Article Facility on my/our behalf as per Power of Attorney dt_____________________________. *(If not applicable, then strike out).*

Now, by virtue of this power of attorney, in supersession of any prior authorization given, if any, I/ We do hereby appoint Shri/ Ms. ________________________________________ as my/ our attorney in my/our name and on my/ our behalf to do certain things in relation to the Safe Deposit Locker/ Safe Custody Article Facility being availed by me/us, terms of which are mentioned herein below:

1. Attorney shall have access to the Safe Deposit Locker/ Safe Custody Article Facility and shall operate the same on my/our behalf strictly in terms of the New Agreement only.

2. Attorney shall execute the documents and carry out necessary compliances on my/our behalf as the Bank may require to for the purposes of providing access and operation to Safe Deposit Locker/ Safe Custody Article Facility.

3. In case of my/our death, the Bank shall however, have full authority and absolute discretion to deal with the contents of the Safe Deposit Locker/ Safe Custody Article Facility as per the nomination provided by me/us and/or in accordance with the terms of the New Agreement.

4. While having access to the Safe Deposit Locker/ Safe Custody Article Facility, the Attorney shall be under same obligations and liabilities as I am/We are, under the

terms of New Agreement and I/We shall continue to remain liable for any the negligence/commissions/omissions of Attorney.

5. AND, I / We hereby agree that all acts, deeds and things lawfully done by my/ our said attorney shall be deemed to be acts, deeds and things done by me/ us personally and I / we undertake to ratify and confirm all and whatsoever that my /our said attorney shall lawfully do or cause to be done for me/ us by virtue of powers hereby given.

IN WITNESS WHEREOF I/We have signed this deed on this_____________ day of Month _______________ of Year______________.

1) Witness

2) Witness

**Signature of Locker Holder/Customer***

**Acceptance by Attorney:**

(Signature of Attorney)

**Put stamp/common seal wherever applicable.*

**Annexure-B**

...the name you can BANK upon!

पंजाब नैशनल बैंक
punjab national bank

कॉर्पोरेट कार्यालय: प्लॉट सं.4, सेक्टर-10, द्वारका, नई दिल्ली-110075
Corp. Office: Plot No. 4, Sector - 10, Dwarka, New Delhi 110075 India

*[Stamp as Agreement]*

## SUPPLEMENTARY SAFE DEPOSIT LOCKER AGREEMENT

**THIS LOCKER AGREEMENT IS MADE BETWEEN THE BANK AND ITS CUSTOMER AT THE PLACE AND ON THE DATE AS STATED IN THE SCHEDULE HERETO (THE "AGREEMENT").**

The expression "the Bank" shall include its successors, administrator and assigns and the expression "the Customer" shall include, when the Customer is:

(a) one or more individuals, his/ her/ their heirs(s), executor(s), administrator(s) and legal representative(s);

(b) a proprietorship firm, the proprietor and his/ her heirs(s), executor(s), administrator(s) and legal representative(s);

(c) a partnership firm, such firm and its successor, such firm's partners, the survivor or survivors among them and the heir(s), executor(s), administrator(s), legal representative(s) of each one of them;

(d) a Hindu Undivided Family (HUF), its members and their survivor(s), legal heir(s), executor(s), administrator(s) and legal representative(s); and

(e) a limited company, its successors.

(The Bank and the Customer are each referred to as a "**Party**" and collectively as "**Parties**")

**WHEREAS:**

(A) The Customer being desirous to avail of safe deposit locker facility, has approached the Bank for such facility;

(B) The Bank is agreeable to provide to the Customer the safe deposit locker facility subject to certain terms and conditions;

(C) The Parties have entered into agreement dated: __________________ setting out the understanding between them in this regard. ("Earlier Agreement")

(D) The Parties are now desirous to supplement the Earlier Agreement.

**IT IS FURTHER AGREED AS FOLLOWS BY AND BETWEEN THE PARTIES BY THIS SUPPLIMENTARY AGREEMENT:**

**1. <u>ADDITION OF NEW CLAUSE</u>**

A new clause reading as follows shall stand added to the Earlier Agreement:

**1 A. CUSTOMER'S RIGHTS**

(a) The Customer shall have, subject to terms of this agreement, a right to use the Locker for keeping belongings and expect reasonable care by the Bank for protecting such belongings and in case of the Bank's failure to do so, avail of such remedies as may be available from time to time under the applicable law and regulations.

(b) The Bank acknowledges the Customer's rights as may prevail from time to time under the applicable law and regulations.

**2. CHANGE TO THE CLAUSE 4.1 IN THE EARLIER AGREEMENT**

Word "fire" in Clause 4.1 of the Earlier Agreement shall stand deleted and the said Clause 4.1 of the Earlier Agreement shall now read as follows:

4.1 The Bank shall not be liable for in any case for deterioration or damage to the contents of the Locker whether caused by rain, flood, earthquake, lighting, civil disturbance or commotion, riot or war or in the event of any terrorist attack or by any other similar cause(s).

**3. The Earlier Agreement shall stands amended in terms hereof.**

**4. LAW AND JURISDICTION**

This Agreement is made subject to Indian law and all matters arising out of it shall be subject to the jurisdiction of courts at the place where the Bank is situated or in the jurisdiction of which the Bank falls.

**SCHEDULE**

| | | |
|---|---|---|
| **Place:** | | **Date:** |
| **1. PARTIED TO THIS AGREEMENT** | | |
| **1(A)** | **THE BANK** | **[●],** incorporated in under [●] and operating in these presents through its branch as stated below |
| | **BRANCH** | |
| **1(B)** | **THE CUSTOMER** | **NAME AND ADDRESS:** |
| | | **1**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| | | **2**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| | | **3**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| **2** | **DESCRIPTION OF LOCKER** | **LOCKER NUMBER:** |
| | | **KEY NUMBER:** |
| **3** | **LOCKER RENT PER YEAR** | **Rs.(in figures):______________________________**<br>**Rupees(in words):____________________________**<br>**(As may be revised from time to time)**<br>**(Payable in advance)** |
| **4** | **PERIOD OF LICENCE** | **1 (One) year from the date of this Agreement which at the end of such one year shall stand automatically** |

| | | |
|---|---|---|
| | | **extended for a further period of 1 (one) year every time unless terminated in terms hereof.** |
| **5** | **OPERATING MANDATE** | |
| **6** | **ANY OTHER TERM** | |

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement.

| **For the Customer** | | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| **Signature** | | | |
| **Name** | | | |
| **Designation/ Capacity*** | | | |

(*in case where the Customer is non-individual/ not signing in person)

| **For the Bank [Bank Name/ Branch Name]:** |
|---|
| Signature: |
| **Name of the signatory:** |
| **Designation:** |

**Annexure-C**

...the name you can BANK upon!

पंजाब नैशनल बैंक
punjab national bank
कॉर्पोरेट कार्यालय: प्लॉट सं.4, सेक्टर-10,
द्वारका, नई दिल्ली-110075
Corp. Office: Plot No. 4, Sector - 10,
Dwarka, New Delhi 110075 India

*[Stamp as Agreement]*

# REVISED SAFE DEPOSIT LOCKER AGREEMENT

**THIS LOCKER AGREEMENT IS MADE BETWEEN THE BANK AND ITS CUSTOMER AT THE PLACE AND ON THE DATE AS STATED IN THE SCHEDULE HERETO (THE "AGREEMENT").**

The expression "the Bank" shall include its successors, administrator and assigns and the expression "the Customer" shall include, when the Customer is:

(a) one or more individuals, his/ her/ their heirs(s), executor(s), administrator(s) and legal representative(s);

(b) a proprietorship firm, the proprietor and his/ her heirs(s), executor(s), administrator(s) and legal representative(s);

(c) a partnership firm, such firm and its successor, such firm's partners, the survivor or survivors among them and the heir(s), executor(s), administrator(s), legal representative(s) of each one of them;

(d) a Hindu Undivided Family (HUF), its members and their survivor(s), legal heir(s), executor(s), administrator(s) and legal representative(s); and

(e) a limited company, its successors.

(The Bank and the Customer are each referred to as a "**Party**" and collectively as "**Parties**")

**WHEREAS:**

(A) The Customer being desirous to avail of safe deposit locker facility, has approached the Bank for such facility;

(B) The Bank is agreeable to provide to the Customer the safe deposit locker facility subject to certain terms and conditions; and

(C) The Parties have decided to enter into this Agreement to set out the understanding between them in this regard.

**IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS:**

**1. <u>LOCKER LICENCE</u>**

1.1 The Bank as a licensor hereby grants to the Customer as a licensee, the license to use the safe deposit locker, the details of which are more particularly described in the Schedule to this Agreement (hereinafter referred to as the "**Locker**"), subject to the terms and conditions as set out under this Agreement.

1.2 The Customer hereby accepts the license granted in terms hereof for fee as specified in the Schedule by way of One Time Registration (Allotment) Charges (Point no. 3) and Locker Rent (Point no. 4).

1.3 The license to use the Locker hereby granted is:

(a) Personal and for the Customer's own use and not for the use of any person other than the Customer;

(b) Non- transferable;

(c) Only for legitimate purposes such as storing of valuables like jewelry and documents but not for storing any cash or currency;

(d) Not for storing:

(i) arms, weapons, explosives, drugs and/ or any contraband material; and/ or

(ii) any perishable material and/ or radioactive material and/ or any illegal substance; and/or

(iii) any material which can create any hazard or nuisance to the Bank or to any of its customers.

1.4 The Customer shall have no right or property in the Locker other than the right to access and use the Locker in accordance with the terms and conditions specified under this Agreement.

1.5 The Customer shall be allowed to operate the Locker:

(a) On a working day of the Bank during the specific time notified from time to time by the Bank for locker operation and in absence of such notification, during the business hours of the Bank. However, in the event of the Bank is not being able to operate for any reason beyond its control such as flood, riot, curfew, lockout etc., the Bank shall not have any obligation to allow operation of Locker;

(b) After the Customer entering the details of such operation in the Bank's records in the form and manner as stipulated by the Bank; and

(c) After the Customer provides identity proof, if so demanded by the Bank.

**1 A. CUSTOMER'S RIGHTS**

(a) The Customer shall have, subject to terms of this agreement, a right to use the Locker for keeping belongings and expect reasonable care by the Bank for protecting such belongings and in case of the Bank's failure to do so, avail of such remedies as may be available from time to time under the applicable law and regulations.

(b) The Bank acknowledges the Customer's rights as may prevail from time to time under the applicable law and regulations.

**2. CUSTOMER'S UNDERTAKINGS AND OBLIGATIONS**

2.1. The Customer shall:

(a) Use the Locker only for the purpose for which it is provided and in accordance with applicable law and regulations;

(b) Abide by rules and regulations for locker operation as the Bank may from time to time adopt;

(c) Keep the key, password or any other identification mechanism provided by the Bank for opening of the Locker in a place of safety, not share the same with any other person and not allow the same to fall into hands of any other person, so as to save unauthorized use of the Locker;

(d) Operate the Locker only using the key, password or any other identification mechanism provided by the Bank and not otherwise;

(e) Not to temper with or make a copy of key or any other identification mechanism provided by the Bank for operation of the Locker;

(f) Inform the Bank forthwith in case of loss of the key, password or any other identification mechanism provided by the Bank for the operation of the Locker;

(g) Return forthwith to the Bank in case of finding the key, password or any other identification mechanism provided by the Bank for the operation of the Locker, earlier having been reported to the Bank as lost;

(h) Pay to the Bank the Rent when due and bear all costs incurred by the Bank for-

(i) Changing the lock and repairs to the Locker on the Customer's reporting of loss of key provided by the Bank; and

(ii) Breaking open of the Locker in terms of this Agreement.

(i) Inform the Bank forthwith in case of the change of address of the Customer providing new address and contact details including phone number, email id, mobile number etc.

**(1) BANK'S RIGHTS**

3.1. The Bank shall have a right to:

(a) Recover the Rent and any other cost incurred by the Bank in relation to the Locker to the debit of the Customer's account, in the event the same is not paid by the Customer, when due; and

(b)Refuse access to the Locker-

(2) In case the rent due on the Locker remains unpaid; and

(ii) Customer fails to provide proof of identity when demanded by the Bank, at the time of seeking access to the Locker.

(3) **Termination of License**

3.2.1 The Bank shall have, in the event of the Customer's breach of or default under this Agreement and/ or the Bank being of the view that the Customer is not co-operating and/or complying with the terms and conditions of this Agreement, a right to terminate this Agreement and the license granted hereunder, after issuing to the Customer a prior written notice of not less than 3 (three) months by registered post or speed post (and also by (i) email where email id of the Customer is available; and (ii) SMS and/or WhatsApp where the mobile phone number of the Customer is available) ("**Termination Notice**").

3.2.2 Upon receipt of the Termination Notice, the Licensor shall forthwith and before the end of the notice period stipulated under the Termination Notice surrender and vacate the Locker and handover the keys, password or any other identification mechanism and documents provided by the Bank for opening of the Locker, to the Bank.

**(4) Breaking open of the Locker and dealing with its contents**

3.3.1 The Bank shall have a right to break open the Locker and deal with its contents in accordance with the provisions under this Agreement, the Bank's internal policy (ies) and procedure(s) and the applicable laws and regulations, in case of any one or more of the following events-

(5) In the event Termination Notice in accordance with Clause 3.2.1 hereof is served to the Customer and the Customer does not surrender and vacate the Locker after the end of the notice period stipulated under the Termination Notice;

(6) The Rent remains unpaid for 3 (three) consecutive years; and

(7) The Locker remains inoperative (irrespective of whether Rent is paid or not) for a period of 7 (seven) years or more; and the Customer cannot be located by the Bank.

3.3.2 Before exercising the right to break open the Locker, the Bank shall send to the Customer a notice (in addition to the Termination Notice under Clause 3.2.1 above) in writing of not less than 3 (three) months by registered post/ speed post (and also by (i) email where email id of the Customer is available; and (ii) SMS and/or WhatsApp where the mobile phone number of the Customer is available) of the Bank's proposed action of breaking open of the Locker ("**Break Open Notice**").

3.3.3 Notwithstanding, anything contained under this Agreement the Bank shall take all possible efforts to contact the Customer by sending messages on mobile phone of the Customer, sending a personal messenger to the Customer's address, making phone calls on the Customer's land line/ mobile phone etc. before breaking open of the Locker.

3.3.4 In case the Termination Notice and the Breaking Open Notice as foresaid sent by the Bank is returned undelivered or the Customer is not found to be traceable despite the Bank having taken reasonable efforts including those stated under Clause 3.3.2 and 3.3.3 above, the Bank shall, before breaking open the Locker, issue a public notice of not less than 3 (three) months about the Bank's intention to break open the Locker, in minimum 2 (two) newspapers (one in English and another in local language) in the same location where the Customer resides as evidenced by the Customer's address as stated in the Agreement or as further communicated by the Customer to the Bank.

3.3.5 The breaking open of Locker would be done in the presence of a committee consisting of 2 (two) officers of the Bank and 2 (two) independent persons acting as witnesses. In the event of electronically operated Locker (including Smart Vaults), the use of 'Vault Administrator' password for opening of locker shall be assigned to a senior official and complete audit trail of access shall be preserved.

3.3.6 Upon breaking open of the Locker, having followed the procedure as set out above, the Bank shall prepare inventory of the contents of the Locker and get valuation of the contents done by the Bank's approved Valuer and the contents of the Locker shall be kept in sealed envelope along with detailed inventory inside a fireproof safe in a tamper-proof way.

3.3.7 In addition to the above, the Bank shall also record a video of the break open process together with inventory assessment and safe keep and preserve the same so as to provide evidence in case of any dispute or court case in future.

3.3.8 Furthermore, the Bank shall also ensure that the details of breaking open of locker is documented in the Bank's Core Banking System (CBS) or any other computerized system compliant with the Cyber Security Framework issued by RBI from time to time, apart from locker register.

3.3.9 Disposal of the articles of the Locker as recorded in the inventory prepared in the manner as stated in the paragraphs above, shall be done either by sale in public auction and the sale proceeds shall be applied first towards the Customer's dues to the Bank (including outstanding Rent, breaking open charges and any other dues) and balance be refunded to the Customer or held for the disposal at the order of the Customer.

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

## 4. THE BANK'S DISCHARGE FROM OBLIGATIONS AND LIABILITY

4.1. The Bank shall not be liable for in any case for deterioration or damage to the contents of the Locker whether caused by rain, flood, earthquake, lighting, civil disturbance or commotion, riot or war or in the event of any terrorist attack or by any other similar cause(s).

4.2. The Bank shall not be liable for any damage/ loss of contents of the Locker arising from any act that is attributable to the fault or negligence of the Customer whatsoever.

4.3. The Bank shall be discharged of its obligations and shall not be liable for any cost, loss or liability incurred by the Customer (including for any damage and/or loss of contents of Locker) in the event the Locker is broken open and its contents dealt with in keeping with the provisions of this Agreement.

4.4. Regardless of the above, the Bank's liability on the Locker shall always be subject to limitation under the applicable law and regulation.

4.5. The contents of the Locker shall in no manner be considered insured by the Bank, and the Bank shall not have any liability to insure the contents of the locker against any risk whatsoever.

## 5. LAW AND JURISDICTION

This Agreement is made subject to Indian law and all matters arising out of it shall be subject to the jurisdiction of courts at the place where the Bank is situated or in the jurisdiction of which the Bank falls.

## SCHEDULE

| **Place:** | **Date:** |
|---|---|
| **1. PARTIED TO THIS AGREEMENT** | |

| | | |
|---|---|---|
| **1(A)** | **THE BANK** | **[●],** incorporated in under [●] and operating in these presents through its branch as stated below |
| | **BRANCH** | |
| **1(B)** | **THE CUSTOMER** | **NAME AND ADDRESS:** |
| | | **1**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| | | **2**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| | | **3**<br>**Name:**<br>**Address:**<br>**Email ID:**<br>**Telephone Number:**<br>**Mobile Number:** |
| **2** | **DESCRIPTION OF LOCKER** | **LOCKER NUMBER:** |
| | | **KEY NUMBER:** |
| **3** | **ONE TIME REGISTRATION (ALL OTMENT) CHARGES** | **Rs.(in figures):____________________________________**<br>**Rupees(in words):__________________________________**<br>**(Payable in advance)** |
| **4** | **LOCKER RENT PER YEAR** | **Rs.(in figures):____________________________________**<br>**Rupees(in words):__________________________________**<br>**(As may be revised from time to time)**<br>**(Payable in advance)** |
| **5** | **PERIOD OF LICENCE** | **1 (One) year from the date of this Agreement which at the end of such one year shall stand automatically extended for a further period of 1 (one) year every time unless terminated in terms hereof.** |

| | | |
|---|---|---|
| **6** | **OPERATING MANDATE** | |
| **7** | **ANY OTHER TERM** | |

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement.

| **For the Customer** | | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| **Signature** | | | |
| **Name** | | | |
| **Designation/ Capacity*** | | | |

(*in case where the Customer is non individual/ not signing in person)

| **For the Bank [Bank Name/ Branch Name]:** |
|---|
| Signature: |
| **Name of the signatory:** |
| **Designation:** |

**Annexure- D**

**Request for Addition of Name(s) In the Existing Bank Locker**

To, Date:
The Branch Manager,
Punjab National Bank,
Branch Office:

Sir/Madam,

I ____________________________________S/o or D/o or W/o, am holding a Safe Deposit Locker number ___________________________________________________________ (account details) in your bank.

I hereby request you to add the name of:
i.________________________________________ S/o or D/o or W/o_________________________________________________________________
AND/OR

ii. ______________________________ S/o or D/o or W/o__________________________ as joint locker holder(s) with me to operate the captioned Locker. His/her specimen signature is given below:

i.___________________________________________________ (Specimen signature).
ii. ___________________________________________________ (Specimen signature).

I, ________________________________________, (existing locker holder) record my satisfaction with regard to contents of the locker.

We undertake to provide fresh "Safe Deposit Locker Agreement" specifying, inter-alia, the mode of locker operation.

We are aware that the Nomination facility in the Safe Deposit Locker is available and for availing the same, proper application in the account would be provided by us.

*We request the Bank to reissue the existing locker in our joint names. Or, We request the Bank to issue fresh locker in our joint names.

*We want to continue with the existing key in the locker. Or,
We require fresh key, expenses of which, would be borne by us under the Bank's policy.

*(*Strike out which is not applicable).*
We expressly permit you to debit account number __________________ towards all charges of safe deposit locker facility as and when due.
In case above mentioned account does not have sufficient balance to cover the safe deposit locker facility dues, after debiting the above account.

- account number____________________ be debited. OR
- account numbers______________________________________be debited in equal proportion.

| Applicant | 1 | 2 | 3 |
|---|---|---|---|
| Signature | | | |
| Name | | | |

| For office use only | |
|---|---|
| Records updated by | |
| Signatures verified by | |

Signature(s) of Bank Official

**Annexure E**

...the name you can BANK upon!

पंजाब नैशनल बैंक
punjab national bank

कॉर्पोरेट कार्यालय: प्लॉट सं.4, सेक्टर-10,
द्वारका, नई दिल्ली-110075
Corp. Office: Plot No. 4, Sector - 10,
Dwarka, New Delhi 110075 India

**Covering Letter to be obtained from the Customers currently holding lockers**

Place:
Date:

To
**The Manager**
__________________ **Bank**
__________________ **Branch**

Dear Sir/ Madam,

**Subject: Safe Deposit Locker- No:__________**

1. I/ We have been granted by you the subject facility in terms of the agreement dated _____________________ executed by me/ us ("**Earlier Agreement**").

2. In this connection, I/ We enclose herewith and tender to you a new safe deposit locker agreement (as required under the circular dated August 18, 2021, issued by the Reserve Bank of India bearing number RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22, titled Safe Deposit Locker/ Safe Custody Article Facility provided by the banks- Revised Instructions, as may be amended, modified, replaced and/or supplemented from time to time) executed by me/ us ("**New Agreement**") in substitution and/ or replacement of the Earlier Agreement.

3. I/ We also expressly understand, acknowledge and agree in this connection that the terms and conditions as stated in the New Agreement shall henceforth apply to the subject facility and the New Agreement shall on and from the date of execution of the New Agreement prevail over the Earlier Agreement in its entirety.

Yours faithfully,

| | 1 | 2 | 3 |
|---|---|---|---|
| **Signature** | | | |
| **Name** | | | |
| **Designation/ Capacity*** | | | |

(*in case where the Customer is non-individual/ not signing in person)

**(Customer)**

Enclosure: New Agreement as above.

# POWER OF ATTORNEY

**(To be stamped as special Power of Attorney as per rates prevailing in the States and attested by a Notary/Magistrate)**

This Power of Attorney is made and executed on this________________ day of ____________month in the Year___________.

**BETWEEN**

Shri/Ms_________________________________________________________________ _______Son/Wife/Daughter of ___________________________________________________________ residing at ____________________________________________________________________.
Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of individual(s)).*

**OR**

M/S________________________________________________________________ ________ having its registered/principal office at _______________________________________________ acting through its authorized person/partner Shri/Ms _________________________________ vide Board Resolution/Authorization letter dt. _______________________________________.
Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of Proprietorship Firm/Partnership firm/limited company).*

**OR**

Hindu Undivided Family ________________________________________________________ having its address at ____________________________________________________________ acting through its Karta Shri _____________________________________________________ S/o Late ______________________________________________________________________.
Herein after referred to and called as the **"Locker Holder/Customer"** *(in case of HUF).*

**AND**

Shri/Ms_________________________________________________________________ _______Son/Wife/Daughter of ___________________________________________________________ residing at ____________________________________________________________________.
Hereinafter referred to and called as the **"Attorney"**

Whereas,

4. I/ We have been granted by Punjab National Bank the facility of Safe Deposit Locker/ Safe Custody Article Facility bearing number __________________________ in terms of the agreement dated _____________________ executed by me/us ("**Earlier Agreement**").

5. I/ We have agreed to enter into a new agreement (as required under the circular dated August 18, 2021, issued by the Reserve Bank of India bearing number RBI/2021-2022/86 DOR.LEG.REC/40/09.07.005/2021-22, titled Safe Deposit Locker/ Safe Custody Article Facility provided by the banks- Revised Instructions, as may be amended, modified, replaced and/or supplemented from time to time) executed by me/us ("**New Agreement**") in substitution and/ or replacement of the Earlier Agreement.

6. Earlier, we had authorised Shri/Ms ______________________________________________ Son/Daughter/Wife of Shri ____________________________________________________ the authorisation to operate the Safe Deposit Locker/ Safe Custody Article Facility on my/our behalf as per Power of Attorney dt________________________________. *(If not applicable, then strike out).*

Now, by virtue of this power of attorney, in supersession of any prior authorisation given, if any, I/ We do hereby appoint Shri/Ms. __________________________________________ as my/our attorney in my/our name and on my/ our behalf to do certain things in relation to the Safe Deposit Locker/ Safe Custody Article Facility being availed by me/us, terms of which are mentioned herein below:

1. Attorney shall have access to the Safe Deposit Locker/ Safe Custody Article Facility and shall operate the same on my/our behalf strictly in terms of the New Agreement only.

2. Attorney shall execute the documents and carry out necessary compliances on my/our behalf as the Bank may require to for the purposes of providing access and operation to Safe Deposit Locker/ Safe Custody Article Facility.

3. In case of my/our death, the Bank shall however, have full authority and absolute discretion to deal with the contents of the Safe Deposit Locker/ Safe Custody Article Facility as per the nomination provided by me/us and/or in accordance with the terms of the New Agreement.

4. While having access to the Safe Deposit Locker/ Safe Custody Article Facility, the Attorney shall be under same obligations and liabilities as I am/We are, under the

terms of New Agreement and I/We shall continue to remain liable for any the negligence/commissions/omissions of Attorney.

5. AND, I / We hereby agree that all acts, deeds and things lawfully done by my/ our said attorney shall be deemed to be acts, deeds and things done by me/ us personally and I / we undertake to ratify and confirm all and whatsoever that my /our said attorney shall lawfully do or cause to be done for me/ us by virtue of powers hereby given.

IN WITNESS WHEREOF I/We have signed this deed on this_____________ day of Month _______________ of Year______________.

1) Witness
2) Witness

**Signature of Locker Holder/Customer***

**Acceptance by Attorney:**

(Signature of Attorney)

**Put stamp/common seal wherever applicable.*

**(Part II- Operational Guidelines)**

# Operational Guidelines for Policy for Locker

**Division : Business Acquisition & Relationship Management Division**

**Version : 2026_BA&RM_1.0**

# Guidelines Custodian

| | |
|---|---|
| Division | Business Acquisition & Relationship Management Division |
| **Officer in-charge** | Divisional Head |
| **Guidelines Contact** | barm.sf@pnb.bank.in, barm.ca@pnb.bank.in |

# Guidelines Version Control

<table>
<tr><th>S. No.</th><th>Version Number</th><th>Version Date</th><th>Summary of Changes</th></tr>
<tr><td>1.</td><td>2022-RLBD_1.0</td><td>31.12.2021</td><td>Consolidated Operational Guidelines issued.</td></tr>
<tr><td>2</td><td>2023_RLBD_2.0</td><td>19.01.2023</td><td>The standardized Operating Procedure (SOP) to renew the Locker Agreements with existing Locker Holders in a phased manner.</td></tr>
<tr><td>3</td><td>2023_RLBD_2.0</td><td>19.01.2023</td><td>Annual Locker rent w.e.f. 15.01.2022:<br>
<table>
<tr><th>Size of locker</th><th>Rural/Semi-Urban</th><th>Urban/ Metro</th></tr>
<tr><td>Small</td><td>₹1250/-</td><td>₹2000/-</td></tr>
<tr><td>Medium</td><td>₹2500/-</td><td>₹3500/-</td></tr>
<tr><td>Large</td><td>₹3000/-</td><td>₹5500/-</td></tr>
<tr><td>Very Large</td><td>₹6000/-</td><td>₹8000/-</td></tr>
<tr><td>Extra Large</td><td>₹10000/-</td><td>₹10000/-</td></tr>
</table>
The list of identified metro branches where premium 25% of Locker rent in addition to normal locker rent is being levied.<br>
Incentivise payment of advance locker rent for 5 years:<br>
Rent Slabs in case Advance Locker rent for a period of five year is deposited by Locker Holder(s) are as under :<br>
(Amt in ₹)
<table>
<tr><th>Type of Locker</th><th>Rural/ Semi Urban</th><th>Urban/Metro</th></tr>
<tr><td>Small</td><td>5625</td><td>9000</td></tr>
<tr><td>Medium</td><td>11250</td><td>15750</td></tr>
<tr><td>Large</td><td>13500</td><td>24750</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>V. Large</td><td>27000</td><td>36000</td></tr>
<tr><td>E. Large</td><td>45000</td><td>45000</td></tr>
</table>
a. The above rent slab is excluding premium of 25% in identified Metro branches.<br>
b. In case Locker holder surrenders the locker before expiry of period of five year for which advance rent has been paid, then locker rent on annual card rate basis shall be charged
</td></tr>
<tr><td></td><td></td><td></td><td>Other Charges; Number of Locker visits is 12 (twelve) per year, thereafter ₹100/- per visit plus GST</td></tr>
<tr><td>4.</td><td>2024_BA&RM_1.0</td><td>01.02.2024</td><td>
Reduced Rent of lockers situated in last four rows of each locker cabinet (w.e.f. 27.03.2023):<br>
(Amt. in ₹)
<table>
<tr><th>Type of Locker</th><th>Rural/Semi Urban</th><th>Urban/ Metro</th></tr>
<tr><td>Small</td><td>950/- Against 1250/-</td><td>1500/- Against 2000/-</td></tr>
<tr><td>Medium</td><td>1875/- Against 2500/-</td><td>1500/- Against 2000/-</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>2025_BA&RM_1.0</td><td>15.06.2025</td><td>
Locker Rent w.e.f 01.10.2024 are as under:
<table>
<tr><th>Size of Locker</th><th>Rural</th><th>Semi Urban</th><th>Urban/ Metro</th></tr>
<tr><td>Small</td><td>1000/-</td><td>1250/-</td><td>2000/-</td></tr>
<tr><td>Medium</td><td>2200/-</td><td>2500/-</td><td>3500/-</td></tr>
<tr><td>Large</td><td>2500/-</td><td>3000/-</td><td>5500/-</td></tr>
<tr><td>V Large</td><td>6000/-</td><td>6000/-</td><td>8000/-</td></tr>
<tr><td>E Large</td><td>10000/-</td><td>10000/-</td><td>10000/-</td></tr>
</table>
25% concession in the locker rent for the lockers situated in last four rows of each locker cabinet is applicable on the locker rent as circulated vide BA&RM (Deposit & Marketing) Circular no. 07/2024 dated 01.10.2024. In order to publicize the reduced annual locker rent for small and medium sized lockers and to enhance locker occupancy of such lockers, we may convey the reduced existing locker rent of lockers situated in
</td></tr>
</table>

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
last four rows of each locker cabinet as per the table below:
<table>
<tr><th>Size of Locker</th><th>Rural</th><th>Semi Urban</th><th>Urban/ Metro</th></tr>
<tr><td>Small</td><td>₹750/- (Against ₹1000)</td><td>₹950/- (Against ₹1250)</td><td>₹1500/- (Against ₹2000)</td></tr>
<tr><td>Medium</td><td>₹1650/- (Against ₹2200)</td><td>₹1875/- (Against ₹2500)</td><td>₹2625/- (Against ₹3500)</td></tr>
</table>
In case of payment of advance locker rent for 5 years, incentivized charges are as under:<br>
Amt. in ₹
<table>
<tr><th>Size of Locker</th><th>Rural</th><th>Semi Urban</th><th>Urban/ Metro</th></tr>
<tr><td>Small</td><td>4500/-</td><td>5625/-</td><td>9000/-</td></tr>
<tr><td>Medium</td><td>9900/-</td><td>11250/-</td><td>15750/-</td></tr>
<tr><td>Large</td><td>11250/-</td><td>13500/-</td><td>24750/-</td></tr>
<tr><td>V Large</td><td>27000/-</td><td>27000/-</td><td>36000/-</td></tr>
<tr><td>E Large</td><td>45000/-</td><td>45000/-</td><td>45000/-</td></tr>
</table>
</td>
</tr>
<tr>
<td>6</td>
<td>2026_BA&RM_1.0</td>
<td></td>
<td>
Modification in Para 1 – General Guidelines<br><br>
Modification in Point (a) and (b) under para 1 – General Guidelines<br><br>
Modification in Point (d) under para 2- The nomination mandate be held with witness (as applicable) on PNB 1386. Further, cancellation/ variation of nominee is to be made on PNB 1386 only, in case of both sole hirer/ joint hirer.<br><br>
Modification in Point (e) under para 2- Customer Due Diligence be ensured as per extant KYC Policy/ Guidelines/ Instructions of the Bank. Further, bank will obtain recent passport size photographs of locker-hirer(s) and individual(s) authorized by locker hirer(s) to operate the locker
</td>
</tr>
</table>

| | | | |
|---|---|---|---|
| | | | and same will kept in the records pertaining to locker-hirer being maintained in the concerned branch.<br><br>Modification in Para 5- Nomination Facility<br><br>Modification in Para 9- Locker Rent |

# Guidelines Governance

| | |
|---|---|
| **Frequency of Review** | Annual |
| **Last reviewed on** | 28.06.2025 |
| **Approval Path** | ORMC |
| **Supersedes** | Policy for Locker (FY 2025-26) – BA&RM (Deposit & Marketing) Division Cir. No. 31/2025 dated 19.07.2025 |

## 1. GENERAL GUIDELINES

Instructions with regard to access to the vault, allotment and operation of lockers, inspection of cabins/checking of safe deposit vaults, break open of lockers were circulated vide Retail Banking Division (R) Circular No. 23/2020 dated 30.03.2020. RBI vide letter no. RBI/ 2021-2022/ 86, DOR.LEG.REC/ 40/09.07.005/ 2021-22 dated 18 August, 2021 has communicated revised instructions upon Safe Deposit Lockers / Safe Custody Articles facility. Further, RBI has issued RBI/ DOR/2025-26/170 DOR.MCS.REC.No.89/01-01-032/2025-26 - Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025 dated 28th November, 2025, which includes guidelines related to safe deposit lockers and safe deposit vaults. The revised consolidated guidelines are here under:

a) The Bank's Safe Deposit Locker Service be made available to Customers who maintain a Saving/Current Account and also to those who are not having any other banking relationship with the bank after complying with the Customer Due Diligence (CDD) criteria. Lockers cannot be leased out to minors, illiterates and blind persons. However, in exceptional cases viz. regulatory guidelines/court orders etc., lockers can be issued to minors in under guardianship capacity. The competent authority to permit such cases shall be Zonal Manager (in absence of ZM; Dy. Zonal Manager).

b) The charges for locker, viz., one-time registration charge, annual locker rent etc. and powers delegated to provide concession/waiver/reversal of such charges will be as circulated by BA&RM Division/ IRMD from time to time. One-time Registration charge is waived in case of staff members/ Ex-staff members.

c) Facilities for online booking of lockers on bank's website is available.

d) As a rule, one locker is issued to a single customer. In case, where customer requires two lockers for genuine requirement, the same must be examined carefully and second locker may be leased out, only with the permission of Incumbent. In case, any customer requests for more than two lockers due to some urgent requirements, such request must be forwarded to Circle Head for consideration, who will assess the genuineness of such need and then may permit the same, depending on the merits of each case.

e) There are various types of locker cabinets having different size of lockers available in the market. In our bank, we have 13 different sizes of lockers. Therefore, all these lockers are being categorized in five categories as per different sizes, which are as under:

| S.No. | Size (Height x Width x Depth) in mm | Total Volume (in Cu inch) 1 inch = 25.40 mm | Category of locker |
|---|---|---|---|
| 1 | 125 x175x492 | 656.77 | Small |
| | 159 x210x492 | 1002.49 | |
| | 125x352x492 | 1321.04 | |
| 2 | 189x263x492 | 1492.39 | Medium |
| | 152.40x406.40x520.70 | 1967.99 | |
| | 159x423x492 | 2019.30 | |
| | 321x210x492 | 2023.90 | |
| 3 | 266.70x330.20x520.70 | 2798.24 | Large |
| 4 | 278x352x492<br>189x529x492<br>321x423x492 | 2938.00<br>3001.80<br>4076.71 | Very Large |
| 5 | 385x529x492 | 6114.77 | Extra Large |
| | 404x529x492 | 6416.54 | |

f) When a locker is let out to more than one lessee, it will be implied that each one of the joint lessees has the right of separate access to it.

Where a locker is let out in the capacity of "Former or Survivor(s)", during the life time of the former, the other joint lessee(s) shall have no interest in the contents of the locker nor can he/she/they stop operation on the locker or issue any instructions to the bank. The liability for the payment of rent of the locker will, however, be that of all the lessees.

g) The locker hirers cannot sub-let the Locker.

h) The 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. The bank custodian shall record the fact of not closing the locker properly in the register and its closure by the bank with the date and time. 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, no article was left inside the strong room, and that no person is inadvertently trapped in the locker room after banking hours.

i) At the close of each day, the custodian will append the following certificate on the Kacha Visit Register (**PNB-82**) by means of a rubber stamp reading: -

"Certified that I have examined all the operated lockers during the day and have found them properly locked. Also verified the premises to ensure that nothing was left inside the strong room.

"CUSTODIAN"

j) Incumbent In-charge shall ensure that no unaccounted cash, securities or other valuables belonging to the bank's clients are kept in the vault of the bank. Any such activity indulged in by any employee will render him liable to disciplinary action.

k) No locker facility shall be provided at branches in the absence of strong room. However, in rural branches which do not have strong rooms, only special safe type lockers may be provided.

l) In case of branches where locker facilities have been provided at present outside the strong rooms, Circle Heads should review the same and explore the possibility of shifting the branches to some other places where proper strong rooms are already constructed/ can be constructed.

## 2. DOCUMENTATION

a) The deadline for procurement of executed Revised Safe Deposit Locker Agreement and Supplementary Safe Deposit Locker Agreement is extended in a phased manner from time to time till 100 percent completion.

b) The Standardized Operating Procedure (SOP) for obtaining revised locker agreement and supplementary safe deposit locker agreement is as under:

i. The revised Safe Deposit Locker agreement (PNB 80R2) and Supplementary Safe Deposit Locker Agreement for the Customers are placed at PNB Knowledge Centre Site (Path: Home page>> Knowledge Repository>>Form Format >>ALL)

ii. Branches to download the same and take printout for execution till the time printed revised Safe Deposit Locker agreement and Supplementary Safe Deposit Locker Agreement are supplied by Printing and Stationary Department, Head Office.

iii. Revised Safe Deposit Locker Agreement is to be got executed from the Locker Holders who have not executed New Locker Agreement (PNB 80R1A/ PNB 80 R2). The stamp cost for Revised Safe Deposit Locker Agreement/POA shall be borne by Locker holder(s).

iv. Supplementary Safe Deposit Locker Agreement is to be got executed from Locker holder(s) who have executed New Locker Agreement (PNB 80R1A/ PNB 80 R2). Stamp Cost in such cases shall be borne by the Bank.

v. The execution of revised Safe Deposit Locker Agreement/ Supplementary Safe Deposit Locker agreement is to be done in duplicate and a copy of same be handed over to Locker Holder against receipt. This receipt be retained with the related agreement. However, if the locker holder expresses for non-execution of duplicate safe deposit Locker Agreement, his mandate for same be held and retained as with related agreement.

vi. Branches having locker facility to maintain adequate stock of stamp paper for facilitating and easy execution of relevant safe deposit Locker agreement. The branches where franking facility is available, the same shall be extended to locker holders.

vii. As communicated vide RLBD circular no. 37/2022 dated 29.12.2022, the details of procurement of revised locker agreement to be entered in CBS Locker menu.

viii. Branches to contact all locker holders through letter, telephonically, personal visit, display of banners in branches and ATMs, for getting executed revised or supplementary Safe Deposit Locker agreement.

ix. The retention of Safe Deposit Locker Agreements/ Supplementary Safe Deposit Locker Agreement is to be kept in lock & key and key should be under custody of authorized person during day-time/working hours. And afterwards, the same shall be kept in dual custody.

x. The Zones/ Circles to monitor and ensure procurement of duly executed revised Safe Deposit Locker Agreement and supplementary Safe Deposit Locker Agreement with existing Locker Holders in time bound manner.

c) All the pages of revised Safe Deposit Locker Agreement and supplementary Safe Deposit Locker Agreement are to be signed by the Locker Holder(s) and his/her/their proper introduction should be obtained. PNB 95 "Password" on Specimen Signature Card be obtained. The lessee is at liberty to select any convenient "Password". Specimen signatures on revised Safe Deposit Locker Agreement and supplementary

Safe Deposit Locker Agreement and PNB-95 will be attested by the Incumbent In-charge/ Custodian.

d) The nomination mandate be held with witness (as applicable) on PNB 1386. Further, cancellation/variation of nominee is to be made on PNB 1386 only, in case of both sole hirer/ joint hirer.

e) Customer Due Diligence be ensured as per extant KYC Policy/ Guidelines/ Instructions of the Bank. Further, branch to obtain recent passport size photographs of the locker-hirer(s) and individual(s) authorized by locker-hirer(s) to operate the locker and same to be kept in the records pertaining to locker-hirer being maintained in the concerned branch.

f) In case of highly placed Government officials and respectable clients, the Incumbent Incharge of branches may relax the condition of obtaining Term Deposit at the time of allotment of Locker. However, in all cases where fixed deposit has not been obtained, the lessee will undertake, in writing, to maintain minimum stipulated balance in his/her Savings/Current Account, all the time in respect of Small, Medium, Large, Very Large and Extra-Large lockers respectively balance in their Saving/Current Account to cover the annual locker rent of their lockers respectively.

g) Letter advising new locker hirer about the mandatory operation of Locker depending upon Risk Classification as per '**ANNEXURE– G'** will be sent to the locker hirer through Registered AD.

h) While letting out a locker to a limited company, club, society or association, a copy of resolution in case of club, society, etc., duly signed by the Secretary/ Chairman, completed in all respects must be obtained. Similarly, when a locker is rented out to a trust, an attested copy of the trust deed should be obtained, and it should be ascertained that the powers to operate the locker is given to an authorized trustee, in the resolution, in terms of the trust deed and that the resolution is signed by the persons authorized to do so. Extant Know Your Customer Policy in this regard be fully complied.

i) On completion of all the required formalities the custodian will take the lessee to his/her locker and demonstrate to him/her it's working. The lessee may use his/her own padlock on the locker.

## 3. LOCKER ALLOTMENT

In order to facilitate customers making informed choices, bank maintains a branch wise list of vacant lockers as well as a waitlist in Core Banking System (CBS)/on Corporate

Website for the purpose of allotment of lockers and ensure transparency in allotment of lockers. Accordingly, a menu in CBS "Waitlist" has been customized in CBS. The concerned branch will acknowledge the receipt of all applications for allotment of locker and provide a waitlist number to the customers, if the lockers are not available for allotment and customer opts for the wait listing facility. The customer on wait list at a branch shall not be allowed to create wait list at another branch of Bank.

## 4. ILLITERATE AND BLIND PERSONS

The locker facility may be extended to blind as well as to illiterate persons. The procedure to be followed for leasing out lockers to blind and to illiterate persons is given hereunder-

### 4.1. ILLITERATE PERSONS:

"While letting out a locker to an illiterate person, his/her left/right hand thumb impression will be taken on Revised Safe Deposit Locker Agreement or Supplementary Safe Deposit Locker Agreement in the presence of an authorized officer and witnessed by two respectable persons known to the bank. Three copies of passport size photographs, of such lessee bearing his/her left/right hand thumb impression respectively, will be taken and pasted on Revised Safe Deposit Locker Agreement or Supplementary Safe Deposit Locker Agreement**.** The photographs will be attested by the Incumbent In-charge/Custodian who will exercise care that part of the signatures appears on the photographs and part on the Locker Agreement. These provisions will apply mutatis-mutandis in case an illiterate person is appointed as a nominee for operating the locker by the lessee.

### 4.2. BLIND PERSONS:

The facility of locker may be provided to the visually impaired person (illiterate as well as literate) as under:

a) Locker facility may be allowed jointly with a person without any visual impairment, known/ related to him/ her (the visually impaired person intending to take locker on lease) and operation of such locker shall be permitted jointly. All the documents related to leasing of locker shall be executed jointly.

b) Locker facility may be allowed singly in the individual name of the visually impaired person. However, operation of such locker shall be permitted in the presence of one literate witness with no visual impairment who shall be designated by the lessee at the time of execution of Revised Locker Rent Agreement. The lessee (the visually impaired person) may designate maximum three witnesses at the time of executing the Revised Locker Rent Agreement.

The signature of the witness shall also be obtained along with the signature/ thumb impression of the visually impaired lessee at the time of operation of locker.

c) The visually impaired customer (lessee of locker) may change the witness (es) subsequently. Until and unless the situation warrants, frequent changes in the witness (es) should be discouraged.

d) It should be ensured that the designated witness (es) is/ are customer(s) of the branch and their identification and address verification has been conducted by applying full KYC procedures. On letting out new locker, copy of letter of designation of witness as per **Annexure H** will be sent to the locker hirer through Regd. AD.

e) Such lessee of locker can also appoint a person who is literate with no visual impairment as an authorized person for operating the locker, as per the extant guidelines. The lessee must visit the branch for appointing the authorized person.

f) The words "VISUALLY IMPAIRED" should be written on the top of each form including locker agreement with RED INK.

## 5. NOMINATION FACILITY

The facility of appointment of a nominee for receiving the contents after the death of lessee/bailor is available. Individuals maintaining articles in safe custody, or lockers may specify up to four nominees, where the next nominee becomes operative only upon the death of the nominee placed higher, ensuring continuity in settlement and clarity of succession. Nominee cannot be an Association, Trust, Society, or any other organization. Accordingly, any nomination other than in favor of an individual will not be valid and hence must not be accepted. Where the nomination is made successively in favour of more than one person, the nomination will be effective only in favour of one person in the order of priority as given below:

a) Nomination of the first nominee shall be effective if that nominee survives the person or persons who made the nomination;

b) Nomination of the second nominee shall become effective only after the death of the first nominee;

c) Nomination of any nominee lower in the order of nomination shall become effective only after the death of all the nominees whose names are higher in the order of nomination.

Where the order of nomination is not mentioned, persons shall be deemed to have been nominated in the order in which their names appear in the nomination form (**PNB 1386 – revised form for capturing nomination in accordance to the Gazette notification).**

d) Where the nominee is a minor, the lessee/bailor or, as the case may be, all the lessee/bailor together, may, while making the nomination, appoint another individual not being a minor, to receive the articles on behalf of the nominee in the event of the death of the lessee/bailor or, as the case may be, all the lessee/bailor during the minority of the nominee.

e) Acknowledgement will be given to the customers within three working days of receiving the forms of registration, cancellation and/ or variation of nomination, irrespective of whether the same is asked for by the customers.

f) Release of contents of Safe Deposit Lockers –

i. Where one or more individuals hire a locker from a bank, whether such locker is located in the safe deposit vault of such bank or elsewhere, the individual or, as the case may be, all the individuals together, may nominate one or more persons not exceeding four, successively, to whom, in the event of the death of the sole hirer or the death of all the hirers, the bank may give access to the locker and liberty to remove the contents of the locker.
ii. Where any such locker is hired from a bank by two or more individuals jointly, and, under the contract of hire, the locker is to be operated under the joint signatures of two or more of such hirers, such hirers may nominate one or more persons to whom, in the event of the death of such joint hirer or hirers, the bank may give, jointly with the surviving joint hirer or joint hirers, as the case may be, access to the locker and liberty to remove the contents of such locker.
iii. Every nomination shall be made in the prescribed manner.
iv. The bank shall, before permitting the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, prepare in such manner as may be directed by the Reserve Bank of India from time to time, an inventory of the contents of the locker which shall be signed by such nominee or jointly by such nominee and survivors shall deliver a copy of the inventory so prepared to such nominee or nominee and survivors.
v. On the removal of the contents of any locker by any nominee or jointly by any nominee and survivors as aforesaid, the liability of the bank in relation to the contents of the locker shall stand discharged.
vi. No suit, prosecution or other legal proceeding shall lie against a bank for any damage caused or likely to be caused, for allowing access to any locker, and liberty to remove the contents of such locker, in pursuance of the provisions of sub-section (1) or sub-section (2), as the case may be.

g) The nomination shall be made either in the Nomination Form or the electronic mode* or digital mode* ("e-nomination") i.e., through digital channel – IBS/MBS/DBP.

h) The nomination shall be made only in respect of locker/safe custody which are held in the individual capacity of the lessee/bailor and not in any representative capacity as the holder of an office or otherwise.

i) Locker/safe custody cannot be leased out to minors. However, in exceptional cases (such as court order) if locker/safe custody issued in the name of a minor, the nomination shall be made by an individual lawfully entitled to act on behalf of the minor.

j) The variation or cancellation of the previous nomination or e-nomination made by the lessee/bailor or all the lessee/bailor together shall be through subsequent nomination or e-nomination.

k) Every subsequent nomination shall cancel the previous nomination, or vary it, as the case may be.

l) A nomination, cancellation of nomination or variation of nomination may be made as aforesaid at any time during which the locker/safe custody is with bank, as the case may be.

m) In case locker/safe custody is hired by more than one individual, the cancellation or variation of a nomination shall not be valid unless it is made by all the lessee/bailor.

n) The duly completed Nomination Form or e-nomination* or subsequent cancellation or variation of nomination shall be registered in the books of bank, either physically or electronically.

o) Bank will acknowledge in writing or in electronic mode* or digital mode*, to the concerned lessee or lessees/ bailor or bailors, the filing of the Nomination Form, or e-nomination* and also the fact of cancellation or variation of nomination.

p) A nomination or cancellation of nomination or variation of nomination shall not cease to be in force merely by reason of the reissuance of locker or overdue of locker rent.

q) If an individual, or a group of individuals, as the case may be, who has made a nomination in respect of a locker/safe custody, desires to have that nomination extended to his or their other locker/safe custody, a request may be made, it shall be treated as if a separate nomination has been made for each of those locker/safe custody.

r) If, by mistake or otherwise, a nomination is made in the Nomination Form in favour of more than four individuals, the names of the first four individuals appearing in the order, shall be recognized.

s) Bank will verify and ensure that the nomination(s) made by its customers are in accordance with relevant provisions of the Act and the Rules before providing acknowledgement to them. Thumb-impression(s) shall be required to be attested by two witnesses. Signatures of the account holders need not be attested by witnesses.

t) Where a nomination request is found not to be in conformity with the provisions of the Act or the Rules and is consequently rejected, branch will inform the customer in writing, clearly indicating the reasons for such rejection, within three working days of the receipt of the request form.

u) Notice of claims of other persons regarding articles not receivable **–**

No notice of the claim of any person, other than the person or persons in whose name a locker/safe custody is held by a bank, shall be receivable by the bank, nor shall the bank be bound by any such notice even though expressly given to it:

Provided that where any decree, order, certificate or other authority from a court of competent jurisdiction relating to such locker/safe custody is produced before a bank, the bank shall take due note of such decree, order, certificate or other authority.

v) Nomination for return of articles kept in safe custody with bank:

i. The bank shall, before returning any articles under this section to the nominee or the person appointed under sub-section prepare, in such manner as may be directed by the Reserve Bank of India from time to time, an inventory of the said articles which shall be signed by such nominee or person and shall deliver a copy of the inventory so prepared to such nominee or person.
ii. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such article, where a nomination made in the prescribed manner purports to confer on any person the right to receive the article from the bank, the nominee shall, on the death of the person leaving the article in safe custody, become entitled to the return of the article to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner: Provided that nothing contained in this section shall affect the right or claim which any person may have against the person to whom the article is returned in pursuance of this sub-section.

w) Bank will give wide publicity and provide guidance to deposit account holders, locker hirers and depositors of articles in safe custody on the benefits of the nomination facility. This may include printing compatible messages on cheque book, passbook and other literature reaching the customers as well as launching periodical awareness drives.

x) Bank will ensure that the form for hiring safe deposit lockers and depositing articles in safe custody contains space for getting the details of nomination, which also serves the purpose of educating the customers about availability of such facility.

y) In the event of death of a lessee reference may be made in the system. Lease Deed, nomination papers are to be kept, with a view to ascertaining whether any nomination has been made in respect of that locker. If so, an entry be made in the lease deed, in bold letters, in red ink, under proper authentication, indicating that the lessee has expired and nominee is available/ not available (giving the date of death and source of information about the death of the lessee, name address, etc., of nominee).

All Locker Agreements including nominations & related papers are to be kept under dual custody.

## 6. DEATH OF A LESSEE

The Branches are required to follow the under noted procedure when it comes to their notice about the demise of lessees:

Death report of a lessee will be noted boldly in red ink in Locker Agreement. Such noting will be authenticated by the custodian. In case death report is received by means of a letter, the date of death and the date of letter will also be noted in the relative Locker Agreement and system. Where the construction of the locker permits sealing, the locker concerned (in the case of death of the lessee) will be immediately sealed in order to prevent operations till the time, lawful heir or representative of the deceased is authorized to open and operate the same. Where the locker cannot be sealed, a blank red slip should be pasted thereon as a measure of precaution. Such case will be treated as a claim case and dealt with as under:

a) Where a locker is rented out to more than one lessee jointly, with specific provision, in Rent Deed Memorandum, that the operation will be allowed to the surviving lessee(s) and in case of death of any one of the joint lessees, the operation by the surviving lessee(s) will be allowed accordingly, without treating it as a claim case.

b) It must be noted with care that the authority in favour of an Agent/an Authorized Person, ceases with the death of the principal. The 'Authorized Person' appointed by him/her, during his/her lifetime, must not be allowed to operate the locker, after the death of the lessee.

c) Where the legal representatives of a deceased lessee, have obtained authority for the operation and possession of the contents of his/her locker, the seal on the locker will be removed by the Incumbent In- charge. Further, on completion of all the required formalities, operations will be allowed to them, against their signatures on the Surrender Certificate, in the Rent Deed Memorandum and the Specimen Signatures Card.

d) In case of an application made by relative(s) of a deceased lessee, to search the latter's locker(s) for some testamentary writing, the bank may, on proper proof and satisfaction as to their relationship, permit inspection of the contents of the locker to such relative(s) without an order, from a competent court of law. Surviving lessee, the legal heirs or the representatives of the deceased, should only be recognized by the bank.

e) In respect of claim to a locker, succession certificate should not be asked for as it is not a debt. If claim is to be settled on the title being legally established, the claimant be advised to bring "letter of administration" from the competent court.

f) Proper inventory of the contents inside the locker be taken in the presence of two independent witnesses, all the claimants, Incumbent in -charge and custodian and these provisions apply mutatis-mutandis to claim relating to articles in safe custody held in the name of a deceased customer.

In exercise of the powers conferred on the Reserve Bank of India by sub-section (3) of Section 45 ZC and sub-section (4) of the section 45ZE of the Banking Regulation Act, 1949 respectively, the Reserve Bank of India has directed that the inventory to be prepared before returning articles left in the safe custody and inventory to be prepared before permitting removal of the contents of a safety locker shall respectively as per Bank's prescribed formats. A copy of the inventory, duly signed by two independent witnesses, claimants, Incumbent in- charge should be placed in the locker.

Claim case in respect of the contents of lockers may be disposed-off against execution of indemnity/indemnity bond on format circulated by HO: Law Division, based on the value of the contents of locker and after completion of other formalities like submission of declaration on PNB 46-47, death certificate, etc. Procedure of locker will be applicable for safe custody also.

## 7. ACCESS TO THE VAULT

When a lessee or his/her authorized person visits for operating his/her locker, the concerned branch official will satisfy himself, by reference to the related record, that the locker number given by the visitor is correct. In case the visitor is unable to provide the locker number, the branch official will obtain the key number from him/her and find out the locker number in the system.

The signatures of the visiting Lessee, Authorized Person, Bank Official (s) accessing vault room will be obtained in the Kacha Visit Register **(PNB-82)** in order to maintain record of access to vault room by locker-hirers or any other individual including the banks' staff. In order to guard against any possible chance of disclosure of information about the lease of lockers to the other visitors, it is suggested that a thick paper be used to cover up the previous particulars at the time of obtaining lessee's/ authorized person's signatures in the Visit Register.

While accompanying the lessee for operation of a locker, the custodian must carefully inspect to ensure that no articles were left behind by previous visitor(s) and that the last operated locker is locked.

## 8. LOCKER OPERATIONS

a) 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 branch. The branch 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 (**Annexure I)** 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.

b) 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.

c) The bank shall send an email and SMS alert to the registered email address 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.

## 9. LOCKER RENT

9.1. Locker Rent will be recovered in advance every year in 1st week of April. Operational Aspect of the proposed modification regarding single designated date for deduction of annual locker rent:

a) At the time of issuance of any new locker, system will continue to set the due date as the anniversary of the issuance date.

b) With effect from 01st April, 2026, all existing lockers having rent due date ≥ 1st April and < 31st March (FY 2026-27) will be identified.

c) Accordingly, on the respective due date of the existing lockers, system will deduct the annual locker rent till 31.03.2027 on proportionate basis, and system will update the next due date to 1st April of the following financial year.

d) The same cycle will be updated in CBS system for all lockers.

9.2. A premium of 25% of Locker rent in identified metro branches on annual locker rent is levied. The identified metro branches are as under:

| Sl. | Name of Branch | SOL ID | | Sl. | Name of Branch | SOL ID |
|---|---|---|---|---|---|---|
| 1. | Jangpura Extension, Delhi | 309000 | | 25 | Teynampet, Chennai | 252300 |
| 2. | South Extension, Delhi | 017600 | | 26. | Taylors Road , Chennai | 109200 |
| 3. | G.K.II, Delhi | 146700 | | 27. | Ballygunge, Kolakata | 008500 |
| 4. | Sector 37, Faridabad | 225800 | | 28. | New Alipur , Kolkata | 008600 |
| 5. | Kalkaji, Delhi | 015600 | | 29. | Salt Lake – I , Kolkata | 095200 |
| 6. | Old Faridabad | 317900 | | 30. | Lansdowne Road, Kolkata | 143500 |
| 7. | Sector 4 , Gurugram | 478500 | | 31. | Salt Lake -III , Kolkata | 162500 |
| 8. | Shakur Basti , Delhi | 064900 | | 32. | Keyatala ,Kolkata | 166700 |
| 9. | Krishna Nagar , Delhi | 064600 | | 33. | Atm Road , Kolkata | 318100 |
| 10. | Preet Vihar , Delhi | 139900 | | 34. | Salt Lake – II , Kolkata | 465600 |
| 11. | Model Town , Delhi | 065000 | | 35. | Dadar N C K , Mumbai | 005900 |
| 12. | Mall Road,Delhi | 099100 | | 36. | Shivaji Park , Mumbai | 055400 |
| 13. | Patparganj , Delhi | 151800 | | 37. | Worli Naka, Mumbai | 056400 |
| 14. | Madhuban,Delhi | 257200 | | 38 | Brady House , Mumbai | 373100 |
| 15. | Vikaspuri,Delhi | 161000 | | 39 | Ghatkopar,Mumbai | 409300 |
| 16. | Sector 12 A , Dwarka,Delhi | 476500 | | 40. | Pedder Road , Mumbai | 127400 |

| Sl. | Name of Branch | SOL ID | | Sl. | Name of Branch | SOL ID |
|---|---|---|---|---|---|---|
| 17. | Dwarka More ,Delhi | 870800 | | 41. | SantaCruz , Mumbai | 128100 |
| 18. | Sector 11, Dwarka, Delhi | 444700 | | 42. | Andheri West , Mumbai | 055000 |
| 19. | New Rajinder Nagar, Delhi | 062900 | | 43. | Khar , Mumbai | 662900 |
| 20. | Punjabi Bagh , Delhi | 150100 | | 44. | Lokhandwala,Mumbai | 893300 |
| 21. | Rajauri Garden , Delhi | 060500 | | 45. | Ville Parle West, Mumbai | 055200 |
| 22. | K .K. Nagar , Chennai | 251000 | | 46. | Taylors Road | 109200 |
| 23. | Abiramapuram, Chennai | 422800 | | 47. | Sec 22 Dwarka, Delhi | 491300 |
| 24. | Adayar,Chennai | 033800 | | | | |

**9.3. Incentivizing payment of advance locker rent for 5 years -** In case of payment of Advance Locker rent for 5 years, incentivized locker rent (excluding GST) are levied. The incentivized rent slab is excluding premium of 25% in identified Metro branches. Further, in case Locker holder surrenders the locker before expiry of period of five years for which advance rent has been paid, then locker rent on annual card rate basis shall be charged.

9.4. **Reduced rent of lockers situated in last four row of each locker cabinet**: 25% concession in the locker rent for small and medium sized lockers situated in last four rows of each locker cabinet is applicable on the locker rent as circulated vide BA&RM (Deposit & Marketing) Circular no. 52/2025 dated 01.11.2025 and updated from time to time. In order to publicize the reduced annual locker Minors of any age are allowed to open and operate savings and term deposit rent for small and medium sized lockers and to enhance locker occupancy of such lockers, the concession has been provided.

## 10. PAYMENT / NON - PAYMENT OF RENT

a) The lessee shall be required to give standing instructions to debit his/ her saving/ current account, with the Bank (wherein periodical interest of the FDR under Term Deposit is credited) for recovering annual rent of his/ her locker on due date. Branches should not affect recovery of rent either through HTM or standing instruction (SI) instead of collection of locker rent through menu option HLKRCM/HLKRRBAT. In order to restrict the branches in effecting recovery of locker rent through HTM/HSIM running of batch job HLKRRBAT has since been made mandatory. It is being run centrally directly by HO: ITD before initiating day-end process to recover rent due for payment. However advance rent can be collected at any time before the rent due date of locker.

b) The yearly rent on lockers, in the case of members of the staff will be 25% of the usual scheduled rates charged to the customers. This concession will be allowed to them provided the locker is rented out in the name of the member of the staff/retired staff as primary locker holder or jointly with his/her spouse and operated upon by either. Only one locker shall be let on concessional rate to an employee/ex-employee.

c) The above concessional rate will also be allowed to ex-employees, who honorably retire, either on completion of the stipulated age of retirement, or to those, who are permitted to retire earlier for any special reason or to those individuals, who leave the bank service by resigning, after putting in a minimum service of 5 years. However, no concession be allowed to those who are discharged or dismissed by the bank.

d) For recovery of rent in lockers where balance in related account is not available on 3rd of April and the rent amount is deposited in the operating account afterwards, an automated fail over process has been devised which shall be executed daily from data center which checks the balance in the operating account of the locker and recover the rent.

e) One month will be allowed from the date of demand to locker holder to pay the rent due. In case of non-payment of rent within the month, penalty will be charged from the date of rent due. The facility for recovery of penalty for late payment of locker rent has been customized in the system w.e.f. 07.11.2015. There is no need to calculate and recover penalty manually. System will recover penalty in all eligible cases at the end of the day. Locker Arrear Rent Penalty are as under:
i. Delay upto 1 year 25% of annual rent
ii. Delay > 1 year to 3 year 50% of annual rent
iii. Delay > 3 year Break open

f) Method for calculation of penalty for rent due: Locker module will calculate and recover penalty for each default for the payment of rent separately. For example, rent becomes due in Feb.2023 and paid in Oct.2025. System will calculate penalty as under:

| Penalty | First default (Rent due) Feb.23 (Months) | Second default (Rent due) Feb.24 (Months) | Third default (Rent due) Feb.25 (Months) | Total Penalty (Months) |
|---|---|---|---|---|
| 2023 | 11 | - | - | |
| 2024 | 12 | 11 | - | |
| 2025 | 09 | 09 | 8 | |
| | 32 | 20 | 8 | 60 |

g) To monitor the arrear on locker rent, a report HLKREPM/ HLCKSTAT (15) is available in the system. To monitor the timely recovery of locker, report can be generated through menu option HLKREPM-35 in MIS server by providing start date and end date for getting details of locker rent falling due in next month.

h) To recover advance rent from the locker holder where the due date is still a future date menu option HLKRCM is to be invoked. On execution of menu option, the zero amount will be by default populated. The user in such case shall modify the field by the amount deposited and recover the amount in cash or transfer.

i) HLKRCM can be used for both rent recovery as well as advance receipt of rent. HLKRCM provides the facility of arrear recovery/advance receipt of rent through cash and transfer. It can be also used to recover partial rent if available/offered by the locker holder towards recovery of rent in arrears in the multiple of ₹1. Partial rent so collected should be apportioned from the arrear amount and system will show only the balance amount to be recovered in arrear field under HLKCM as well as in reports HLKREPM 15, 22 and 26. Rent so recovered can be viewed in history report HLKREPM 23.

j) The amount of rent so recovered, will be credited to income head "Rent on Lockers" BACID (2032701).

k) Receipt of recovering locker rent will be issued to all the lessees.

l) If the credit balance in the savings or current account (including the periodic interest credited from the Fixed Deposit) designated for locker rent recovery is insufficient whether due to lower interest credited following a downward revision in deposit rates or for any other reason the lessee will be contacted on the due date itself. The bank will attempt to reach the lessee by telephone, mobile, or any other available mode of communication, requesting that the shortfall be deposited immediately so the locker rent can be recovered.

m) If the lessee cannot be reached through these means, or fails to deposit the required amount within 2–3 days, a personal visit will be made. In cases where the lessee is not available at the local address, the person who introduced the lessee will be contacted to help ascertain the lessee's whereabouts.

n) In the absence of any such instructions, the lessee, whether residing locally or outside, will be contacted on telephone/ mobile by any other mode of communication (if such information is available on record) at least a fortnight before the due date for making payment of locker rent. In case, no contact with the lessee is made and locker rent has also not been paid within 2/3 days, he/she should be contacted personally. In case the lessee is not available at the local address, the person who introduced him/her should be contacted in order to ascertain his/her (lessee's) whereabouts.

o) If all the above efforts fail, a preliminary notice (in the format prescribed under **Annexure–J**) shall be served on the lessee. This notice must reference the prior telephonic communications and personal visits, and require the lessee to deposit the necessary amount into the savings or current account so that the annual locker rent can be recovered or directly into the locker account, as applicable, within 15 days without fail.
The custodian must record these actions and remarks on the relevant page titled "Record of Visits" in the lessee's account ledger, and sign in full to authenticate the entry.

p) Operation on the locker must not be permitted till the recovery of locker rent from the lessee. Similarly, caution should be noted in the relative saving/ current account of the lessee, from where locker rent is to be recovered, that no withdrawal/ debit should be allowed there from till the realization of arrears of locker rent.

q) In case, the rent is not paid or credit balance in the saving/current account is not brought to the level so as to recover arrears of locker rent within the period stipulated, a second reminder (**format is placed as Annexure – K**) will be issued requesting the lessee to pay the locker rent or bring the credit balance in the saving/ current account to such a level so as to recover arrears of locker rent immediately.

r) If all the above efforts fail, a final notice will be issued to the lessee under registered acknowledgement due cover/ by courier, on the last known address available on record.

s) Upon receipt of the lessee's acknowledgement of the notice, the custodian shall verify the signatures of the lessee(s). The custodian must then endorse the verification with his/her full signature and date, and retain the acknowledgement in the Bank's records. A record of the delivery of such notices shall also be maintained for reference.

t) All the notices should be issued to all the lessees in case of joint holders of lockers.

u) In case, the receipt of final notice is acknowledged by the lessee but neither the rent is paid by him/ her nor any communication is received from him/ her within a period of one month, or the signatures of the lessee(s) on the postal/ courier acknowledgement differ from the specimens in the Bank's record or are of some third party or the cover is received back undelivered for any reason (covers received back undelivered should not be opened and be placed in the file intact), the matter will be referred to the Circle Head, by the branches (except large branches, very large branches, and exceptionally large branches) with the undernoted information for obtaining permission to break open the locker:

i. Name and address of the lessee
ii. Date of leasing of the locker
iii. Amount of rent due and since when

Apart from above, following information's is to be shared with respective circle office:

a) If a locker was initially leased without obtaining a Fixed Deposit Receipt (FDR), but FDR was subsequently obtained from the lessee and placed under the Bank's lien and the periodic interest from that FDR was credited to the lessee's savings or current account. An undertaking was also obtained from the lessee authorizing recovery of locker rent from that account.

b) Mode of recovery of rent, i.e., from saving/ current account wherein periodical interest on FDR was to be credited,

OR

Where FDR has not been obtained and locker rent was to be recovered from balance held in saving/ current account being maintained with the branch/bank, if any other, please specify.

OR

Whether balance in saving/ current account (including credit of periodical interest on the FDR) has remained less than the amount of locker rent in arrears.

c) Whether caution noted in the relative saving/current account of the lessee that no withdrawal / debit should be allowed there from till realization of locker rent.

d) What is the balance outstanding in the saving/current account of the lessee on date? Month wise maximum and minimum balance for the period for which the locker rent is not paid is to mentioned

e) What is the present status of FDR pledged with the Bank in this case, why the arrears of rent cannot be recovered from the amount of FDR?

f) Date of operation of the locker by the lessee.

g) Mention dates of contacting the lessee over telephone/ mobile/ by other means of communication for payment of locker rent, in arrears and his/her response. Whether any written communication received from him/ her.

h) Mention dates of contacting the lessee personally and his/her response. Whether any written communication received from the lessee.

i) Whether efforts have been made to trace the lessee through the person who introduced him/ her or through any other means. If so, what was the response?

j) Dates of issuing letters/ reminders/ notices to the lessee and his/her response there to. If any of the reminders/ notices has been received back undelivered, what are the remarks of the post office/ courier thereon?

k) Details, if available, of any other account of the lessee(s) with the branch in the same right and capacity and why the account cannot be appropriated towards recovery of rent in arrears.

l) Any other relevant information relating to this case.

## 11. BREAK OPEN OF LOCKERS

a) 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. However, bank shall ensure that the existing locker-hirer shall be notified prior to any changes in the allotment and he/she will be given reasonable opportunity to withdraw the articles deposited by him/her.

b) The Bank shall have a right to break open the Locker and deal with its contents in accordance with the provisions under the Locker Agreement, Bank's internal policy (ies) and procedure(s) and the applicable laws and regulations, in case of any one or more of the following events:
   i. In the event of termination notice served to the customer and the customer does not surrender/ vacate the locker after the end of the notice period stipulated under the termination notice;
   ii. The rent remains unpaid for 3(three) consecutive years; and
   iii. The locker remains inoperative (irrespective of whether rent is paid or not) for a period of 7(seven) years or more; and the customer cannot be located by the Bank

c) Before breaking open the locker, the bank shall 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. The format of notices to be sent are placed as **Annexure– L, Annexure– M, Annexure– N and Annexure– O.** The frequency of the notices to be send area as under:

   i. After completion of 30 months of overdue locker rent, Preliminary Notice (Annexure –L) of 30 days.

ii. After 31 month of overdue locker rent, Reminder Notice (Annexure – M) of 30 days.
iii. After 32 month of overdue locker rent, Final Notice (Termination Notice Annexure – N) of 90 days.
iv. After 36 month of overdue locker rent, Break Open Notice (Annexure- O) of 90 days

d) In case the Termination Notice and the Breaking Open Notice as aforementioned, sent by the Bank is returned undelivered or the locker hirer is not traceable despite the Bank having taken reasonable efforts. The Bank will, before breaking open the Locker, issue a public notice immediately of not less than 3 (three) months about the Bank's intention to break open the Locker, in minimum 2 (two) newspapers dailies (one in English and another in local language) in the same location where the customer resides as evidenced by the customer's address stated in the agreement or as further communicated by the customer to the Bank.

e) The locker shall be broken open in the presence of an officer of the bank and two independent witnesses. Further, branch will also record a video of the break open process together with inventory assessment and the same shall be preserved for 180 days in case of no dispute. However, in case of dispute the same shall be preserved till logical conclusion. Branch (es) shall also ensure that the details of breaking open of locker is documented in CBS or any other computerized systems compliant with the Cyber Security Framework issued by RBI, apart from locker register.

f) 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.

g) In case of small and medium branches, permission to break open the lockers shall be obtained from the Circle Head, whereas, in case of the large branches, the power to break open the lockers shall be exercised by a committee of Senior Manager and Second Man.

h) In case of ELB/ VLB branches, Incumbent In-charge may, through an office order, designate an officer in Scale III (GBPA Holder) to form part of the team as per above. Accordingly, in an ELB/ VLB branch, the team for break open of locker may constitute GBPA Holder in Scale III (designated through office order) and two independent witnesses, one of the witnesses should be an advocate and the other an independent person known to the Bank, but not a staff or ex-staff member.

i) Locker must be broken open in the presence of the Incumbent In-charge and two independent witnesses; one of the witnesses should be an advocate and the other an independent person known to the Bank or a customer of the Bank, but not a staff or ex- staff member. LAW Division Circular No. 03/2025 dated 09.04.2025 which provides for the fees of advocates in this regard as:

   i. **Causing appearance as witness at the time of taking possession, breaking lockers or like exercises:** ₹1000/- per reference/ appearance. However, in cases where the time consumed is much longer, the higher fees may be considered subject to maximum of ₹2000/-.

   ii. However, if more than one locker is to be break opened at a time, the fee may be negotiated on consolidated basis by the Incumbent in consultation with the Circle Head.

j) It is further advised that witness of only those persons be taken who can be produced as a witness in case there is any dispute. It is not mandatory for the advocate to be from the Bank's approved panel. However, if the witness is provided by a panel advocate, it may be easier in the future to produce him as a witness when required.

k) CM/ AGM of very large branches/ exceptionally large branches may also exercise such powers of breaking open the lockers in respect of their branches in case of default accounts for realization of arrears of locker rent. The case for breaking open of the lockers, containing the above information shall be placed to the Incumbent In-charge.

l) Large branches shall send a quarterly statement to their controlling offices in respect of the lockers broken open and recovery of rent effected there from during the quarter.

m) The inventory should be prepared after break open of the locker and during settlement of claims, in the appropriate forms. Further, banks shall 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.

n) An inventory of all locker contents including cash and certificates such as FDRs, RDs, NSCs, etc. shall be prepared. If bullion, sovereigns, ornaments, or jewelry are found in the locker, they must be weighed separately by an independent shroff holding a valid license to deal in such items. The weighing must be conducted in the presence of witnesses, and the weight of each article shall be recorded in the inventory. The inventory must bear the full signatures of the Incumbent In-Charge, the witnesses, and the shroff, along with their complete particulars (name, address, and account number, if they maintain an account with the Bank. The shroff shall also affix his rubber stamp indicating the license number.

o) In the event that cash or FDRs/RDs belonging to our Bank (and held in the same right and capacity) are found in the locker, the Incumbent In-Charge of the branch shall decide whether to appropriate the amount or proceeds, if permitted by law, to the extent necessary for realization of the Bank's dues, including charges for breaking open the locker. The remaining cash, if any, and other certificates/ receipts shall be sealed properly and kept in the safe custody, as per bank's extant guidelines and remarks to this effect be given in the inventory also.

p) If cash or FDRs/RDs found in the locker cannot legally be appropriated, or if they are insufficient to cover the arrears of locker rent, the other valuables such as ornaments or jewelry recovered after breaking open the locker shall be valued by a licensed shroff under the supervision of the Branch Head. Steps shall then be taken to sell these items, either through public or private sale, to the extent necessary for realization of the Bank's dues, including charges for breaking open the locker. The remaining articles, if any, shall be sealed properly and kept in the safe custody separately from the cash/ receipts/ certificates as per Bank's extant guidelines. In case, the articles are sold through private sale, the Branch Head shall obtain quotations from at least two shroffs having valid license to deal in bullion, sovereign, ornaments, jewelry, etc., and sell the articles to the extent necessary, to the shroff who has quoted the highest rates.

q) In case of any deficit on sale/ appropriation of the contents found from the locker upon breaking open, the Bank is entitled to recover arrears of locker rent and all other charges incurred in this process from the lessee personally or from all or any of the lessees in case the locker was leased in the joint name. In such cases, notice under registered acknowledgement due or through courier shall be issued to the lessee(s) and if no reply is received within fifteen days, the branches (other than VLB/ELB) shall refer the matter to the concerned Circle Head seeking further instructions in the matter. While seeking instructions in this regard from the Circle Head, the large branches shall also send photocopies of the relative papers containing decision of the committee for the breaking open of the lockers and details of the articles found and the amount realized there from, if any. Similarly, the small and medium branches shall send details of the articles found and the amount realized there from, if any.

r) In case nothing is found in the locker and the rent is to be waived the powers for the same lies with SMG-IVand above, who have full powers to allow remission of arrears of rent on lockers, and others shall seek permission for waiver from Circle Office.s

s) After the contents to the extent necessary for the realization of the Bank's dues have been appropriated either by appropriation of cash/ proceeds of term deposits and/or sale of other articles publicly/ privately, a proper record of the sale proceeds as well as the remaining articles shall be held by branch, in the safe, as an article of safe custody for delivery to the lessee on proper identification and after recovering safe custody charges, as per the Bank's extant guidelines. In case the amount realized from the disposal of a single article is more than the arrears of rent, balance amount thereof be kept in the sundry account and a reference be made in the inventory also.

t) If the lessee reports a loss of the key, the custodian shall, upon receiving such intimation, record a suitable note at the appropriate place in the Rent Deed Memorandum, under his authentication. Before making arrangements to break open the locker and to replace it with a new one, an appropriate amount to cover the expenses (cost of lock, mechanic's charges and bank commission as advised from time to time) will be recovered, in advance, from the lessee and kept in sundries account and appropriated, when a bill from the company is received. The approximate charges will be ascertained from the manufacturers/suppliers of the safe deposit locker cabinets.

u) The locker shall be broken open in the presence of both the lessee and the custodian, after which it will be sent to the manufacturer or supplier for repairs. Under no circumstances shall the lessee be permitted to have the locker broken open by his or her own workman.

v) If a locker is to be broken open after rent has become overdue, the arrears of rent must first be recovered before the locker is opened. If the locker is broken open before the annual rent becomes overdue and the lessee chooses to vacate the locker, no refund of rent already paid will be allowed. However, if the lessee opts to transfer valuables to a new locker before the annual rent becomes overdue, rent for the broken locker will be charged on a quarterly basis (for both complete and incomplete quarters), and a new locker will be allotted under the usual terms.

w) 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.

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

## 12. SURRENDERING OF THE LOCKER

a) There shall be inter change 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 Circle Office shall conduct surprise, periodic verification of surrendered or vacant lockers and their keys. Such verification must be carried out by a branch officer who is not involved in their custody, and proper records shall be maintained as proof of the verification.

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 shall be refunded to the customer for remaining complete calendar quarter.

c) Where a mechanic from the manufacturer or supplier is available and his charges are reasonable, the lock may be interchanged or replaced by him. In all other cases, the work shall be carried out by an authorized official, under the personal supervision of the Incumbent In-Charge/Custodian.

d) On surrender of a locker, the surrender certificate must be obtained from the lessee(s). Necessary cancellation should also be made under authentication of the custodian.

e) If a lessee has vacated the locker and subsequently sends the key by post/courier, the surrender form in duplicate shall be sent to the lessee, preferably with a self-addressed envelope. The lessee must return both copies duly signed. Once received, the surrender forms shall be attached to the related locker agreement.

f) After a locker has been surrendered, relative forms will be filed locker- wise in a separate binder for closed locker accounts. Correspondence and other papers pertaining to surrendered lockers will be filed, in an alphabetical order, in an era file.

## 13. INSPECTION OF THE LOCKER ON SURRENDER

Immediately after surrender/ last operation, locker must be carefully examined by the custodian to ensure that the lessee leaves behind no articles in or outside the locker. When a locker is surrendered by sending the key through post, courier, or similar means, the locker shall be inspected by the custodian in the presence of the Incumbent In-Charge. A certificate confirming the inspection must be mentioned on the letter accompanying the key and signed jointly by both the Incumbent In-Charge and the Custodian.

## 14. ARTICLES FOUND IN SAFE DEPOSIT VAULTS/BANK PREMISES

a) Valuables found in the vault will be immediately reported to the custodian and entered in the Register of Articles Found in the Vault **(PNB-85)** by the finder himself, who will also sign in the Register, at the space provided for this purpose. The custodian thereafter, must handover those valuables to the Incumbent In- charge and the Head Cashier, against their receipt, in the aforesaid Register, for keeping them as articles in safe custody. Thereafter, appropriate efforts, to find out the owner of such articles, must be made and the articles returned to the owner of such articles on proper identification and against his signatures in the Register **(PNB-85)** in the presence of the Incumbent in- charge. The usual safe custody chares may be recovered before delivery of the articles.

b) Articles, like umbrella, hat or purse, etc., if found anywhere in the vault, will be kept intact, until these are claimed for, when these will be delivered to the owner on proper identification and against a receipt.

c) There may be instances when such valuables/ articles cannot be returned to the true owner. The Indian Contract Act, 1872, governs the legal position in the case of articles left behind through over-sight in the Safe Deposit Locker areas and not subsequently claimed. Section-71 thereof reads as under:

"A person, who finds goods belonging to another and takes them into his custody, is subject to the same responsibility as a bailee".

While the Indian Contract Act does not provide for sale by a bailee of the goods bailed, Section-169 thereof makes a specific provision for sale by a finder of a thing commonly on sale. That section reads as under:

"When a thing which is commonly the subject of sale is lost, if the owner cannot, with reasonable diligence, be found or if he/ she refuses, upon demand, to pay the lawful charges of the finder, the finder may sell it,

When the lawful charges of the finder, in respect of the thing found, amount to two-thirds of its value".

have to be in line with the provisions of Section 169 of the Act quoted above.

d) Since majority of the articles found in vault/branch premises relate to jewellery items left behind by locker-hirers, the difficulty in selling such articles is compounded as the value of precious metal always appreciates which lengthens the period of retention indefinitely. Thus, recourse to disposal of the articles as per Clause (i) and (ii) of Section-169 of the Indian Contract Act, 1872 mentioned above, does not generally arise.

As a solution to above problem, the following course of action may be taken in respect of valuables found in the Safe Deposit Locker areas: -

i. The system of inspection of locker area may be enforced rigidly. By this, the branch will be able to establish the date on which the locker holder left the valuables through oversight. This will also facilitate the branch to send notices to all locker holders who had operated the lockers on the material date.

ii. The articles/valuables found may be kept in proper custody for handing over to the true owner, as aforesaid.

iii. In respect of claim to a locker, proper inventory be taken in the presence of two independent witnesses and these provisions apply mutandis-mutandis to claim relating to articles in safe custody held in the name of a deceased customer.

iv. In exercise of the powers conferred on the Reserve Bank of India by sub-section (3) of section 45ZC and sub-section (4) of the section 45ZE of the Banking Regulation Act, 1949 respectively, the Reserve Bank of India has directed that the inventory to be prepared before returning articles left in the safe custody and the inventory to be prepared before permitting removal of the contents of a locker respectively be as per formats.

v. A notice under certificate of posting be sent in the names of all the hirers of the lockers who operated their lockers on the material date without disclosing the identity of the valuables left behind.

vi. Appropriate efforts may be made by the branches to contact the claimants. In case the claimant does not turn up at the branch within a reasonable time or when he/she fails to establish his claims, the branches may still detain the articles for a period of minimum 3 years and if within that period the true owner cannot be traced out, the articles may be handed over to the police authorities as per the provisions of the relevant act or disposed directly by them as per their existing system.

vii. Incumbents In- charge are advised to note the above instructions and be guided accordingly. In case, they come across any problem in handing over the articles to the police authorities or in ascertaining the relevant provisions of the law, they may refer the matter to their Circle Head, who can, in turn, refer the problem, if any, to HO: Law Division for guidance in respect of legal issues involved.

e) If the lessee's key is left behind, the matter will be immediately reported to the Incumbent In- charge, who must get the locker, locked in his presence. The key will be kept duly sealed, in the joint custody of the Incumbent In- charge and the Head Cashier. The Incumbent In- charge/Custodian will immediately contact the lessee concerned and while handing over the key to him, should request the lessee to examine the contents ofhis/her locker, to ensure that everything is in order.

f) One locker, in each of the locker cabinet, will always be kept vacant. In case, all the lockers, in a particular cabinet, have already been let out, Incumbent- In charge should try to get one locker vacated, by offering locker in another cabinet, if available.

g) Removing and re-fitting of safe deposit locks, is a simple process and can be carried out easily. The locks, which are simply screwed on to the front panel of the lockers from inside, can easily be removed or re- fixed with the help of a screwdriver. After affixing a lock, however, it will be ensured that it has been strongly fastened to the locker and that the locker holder's as well as the custodian's keys work freely in it.

## 15. ATTACHMENT/ PROHIBITORY ORDERS

a) Immediately on receipt of attachment/prohibitory order from any competent court of law, or any competent authority/officer, the date and name of the issuing Court/ Authority/Officer and also the date of its receipt by the bank, will be recorded, in red ink, under signatures of the custodian, on the relative Specimen Signature Card and at the end of the entries made, under the head "Record of Visits", in the relative account in the lessee's ledger. The order of the court received, will be kept in a separate file, which will remain in the custody of the Incumbent In-charge/Custodian under lock and key. A copy of such an order may also be kept with the relative (locker) Rent Deed Memorandum, executed by the party. For this purpose, the top upper part of the copy of the order should be pasted, on the top upper part of the Rent Deed Memorandum, with the help of gum, so that the written part of both the papers and the stamps, if any, remain intact.

b) The locker in question shall be sealed by the Incumbent In-Charge to prevent any unauthorized operation during the period of attachment or prohibitory orders. Where the locker cannot be effectively sealed, a blank red slip will be pasted on it to indicate caution. The seal of the locker or the red slip thereon will be removed by the Incumbent In-charge, only when the attachment order is satisfied or vacated by the court/ authority/ officer. The vacation of the attachment order, received from the court/ authority/ officer, together with the date of receipt, will be recorded in blue ink, at all appropriate places, where the original attachment order was previously recorded. Incumbent In-Charge(s) shall maintain authenticated records regarding the demise of locker holders, so that such records can be produced as evidence whenever required.

c) In cases where the contents of a customer's locker, or articles left in the bank's safe custody, are subject to attachment and recovery by an authority acting under orders of a Court or any other competent authority empowered to issue such orders, the branch shall fully cooperate in the execution and implementation of those orders.

d) The Incumbent In-Charge shall verify and ensure the authenticity of the orders and all related documents received for the attachment and recovery of locker contents or articles held in the branch's safe custody. The customer (locker-hirer) shall be informed by letter as well as by email/ SMS on the registered email id/mobile 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 shall be forwarded to the customer to the address available in the bank's records or handed over to the customer against acknowledgement.

e) Where legally permissible, a video recording of the break-open process and the inventory assessment shall be made and preserved, to serve as evidence in the event of any dispute, court proceedings, or fraud case in the future.

## 16. CONTROL OF THE VAULT DURING DAY TIME

a) Custodian is the focal point of various operations relating to lockers and he has a pivotal role in the scheme. With a view to ensuring continuity so that responsibility may be fixed/pin-pointed in case of any dispute/need, it is essential that as far as possible such a responsibility should be entrusted to a person who is authorized for the job and who is expected to continue on the seat for some time.

b) The Incumbent In-Charge shall generally serve as the Custodian. If, for any reason, the Incumbent In-Charge is unable to act as Custodian, approval must be obtained from the concerned Circle Head for another official to assume the role. Such an official must be a Power of Attorney holder. Special Assistant may also be designated to act as Custodian.

c) The opening and closing of vault must remain under the dual control of the Incumbent In-charge and the custodian and where the vaults are housed in the strong room, the control will be exercised by the Hall in charge and the Head Cashier.

d) The timings of opening and closing of the vault, on each day must be recorded in the Register (**PNB-90**) by the designated officials, under their signatures. The operative timings for Safe Deposit Vault (Lockers) should end half an hour before the close of office hours.

e) At offices where vaults are located within the strong room, the strong room doors may remain open during office hours. However, in such cases, all cash parcels, articles held in safe custody, cash vouchers, and other valuables must be stored in separate locked receptacles under the control of designated officials to ensure their safety. The grill gate of the strong room should, however, always remain closed and its key should remain with the custodian. This will eliminate the chances of unauthorized persons entering the vault.

f) At offices, where vaults are housed in the strong room and dual control on valuables in separate receptacles is not possible, the strong room will be opened and closed, under joint control of the Incumbent In-charge and the Head Cashier.

g) During the daytime, the custody of the master key must remain with the Incumbent In-charge or any other official approved by the Circle Head, to act as a custodian. Overnight, it will be kept in the strong room, under the joint custody of the Incumbent In -charge and the Head Cashier. A record of such joint custody will be kept in the Opening and Closing Register (**PNB-90**) on a separate opening, which must be signed, both by the Incumbent In charge and the Head Cashier.

h) Duplicate keys of the vault shall be deposited in safe custody with the local branch of the bank. If this is not possible, they shall be deposited with the nearest branch of the State Bank of India or any other public sector bank. The keys shall be deliverable only on the joint signatures of the Incumbent In-Charge and the Head Cashier. The relative safe custody receipt, after recording in the Branch Document Register must be kept in a sealed envelope, in the strong room.

i) At offices, where the locker cabinets are small in number, the lessees' keys of vacant lockers will be kept in the strong room under the joint custody of the Incumbent In-charge and the Head Cashier. On allotment of a locker, the relative key will be obtained from the custodians of the keys and delivered to the lessee.

j) In large branches where locker cabinets are numerous, the keys of vacant lockers shall remain under the joint control of the Incumbent In-Charge and the Custodian. Where the Incumbent In-Charge also serves as Custodian of the vault, the keys shall be kept under the joint control of the Incumbent In-Charge and the Head Cashier. Overnight, the keys must be stored in the strong room under the joint custody of the Incumbent In-Charge and the Head Cashier.

k) Once in a month, at irregular intervals, the lessees' keys of vacant lockers shall be physically checked by the Incumbent In-Charge. Evidence of such checking must be recorded through a dated certificate signed by the Incumbent In-Charge. If the Incumbent In-Charge also serves as Custodian, the checking shall be conducted jointly with the Cashier, and the certificate must bear their joint signatures.

l) As far as possible, efforts should be made to allot the surrendered lockers, to the new lessees, in preference to fresh ones. Further, following precautions must be taken to safeguard the Bank's interest:

i. Maintenance of vendor register and a proper record of break open of the locker.
ii. Ensure that no electric switch/ power point is located inside the vault.
iii. Ensure verification of the identity of the mechanic before permitting him to carry out the repair/ break open of the locker.
iv. Monitor antecedents/ movement of frequent visitors for operation of lockers
v. Periodic rotation of duties of the staff, as per bank guidelines.
vi. Concurrent Auditors/ Inspecting officials to ensure that the branches are complying with guidelines and deviations if any should be reported in their periodical reports.

## 17. PURCHASE OF FRESH LOCKER CABINETS

Powers for purchase of new locker cabinets has been delegated to Zonal Manager(s). However, ZMs before allowing purchase of new locker cabinets to the Circles under their jurisdiction shall ensure the following:

a) There should not be more than 5% vacant lockers out of the total installed lockers at the concerned Branch.
b) Preferably the locker rent in arrears above 1 year category is nil and where ever the rent is in arrears, the process of break open should be initiated promptly as per extant guidelines.
c) To examine the possibility of shifting of any vacant locker cabinet from the other nearby branches in the circle.

## 18. DISCHARGE OF LOCKER CONTENTS IF MANDATORY OPERATION OF THE LOCKER NOT DONE

Branches will prepare a list of all lockers not operated for one year and three years, for High Risk and Medium Risk locker hirers respectively as on 30th June and 31st December every year **(Annexure- P).** Following steps will be taken by the branches in respect of lockers not operated :

a) The lessee whether, residing locally or outside, will be contacted over telephone/ mobile/ by any other mode of communication (if such information is available on record). The lessee will be informed of the last operation made in the locker and reasons for not operating the locker during the intervening period will be ascertained. He/she will further be advised to operate the locker within seven days. In case, the lessee could not be contacted on telephone/ mobile/ by any other means of communication he/ she should be contacted personally and informed of the consequences of non-operating the locker. In case, the lessee is not available at the local address, person who introduced him/ her should be contacted in order to ascertain his / her (lessee) whereabouts. A record of the action taken shall be recorded in the remarks column of the respective locker records.

b) In case efforts as per (a) above fail, a letter (**Annexure-Q**) will be sent to the lessee(s) advising either to operate the locker or submit the reasons for not operating or surrender the locker.

c) Letter as per (b) above will be sent through Regd. AD, giving 30 days' time to operate the locker or surrender the same or submit reasons for non-operation. It will also be made clear that in case of lessee neither operating the locker nor submitting satisfactory reply, the locker can be broken open by the Bank at the lessee's cost, irrespective of the fact that the rent is being deposited regularly.

d) If no reply is received or locker is not operated within 30 days, a reminder (**Annexure-R**) referring the earlier letter will be sent by Regd. AD post, giving 30 days' time to operate, surrender or submit satisfactory reply for non-operation.

e) In case, the locker hirer submits a reply expressing genuine reasons as in the case of NRIs or persons who are out of town due to transferable job, etc., the same shall be considered by the Branch Head.

f) In case, the reasons are found satisfactory, the locker hirer will be advised to indicate the expected date by which the locker may be operated. In case of non-operation of locker within time given, the lessee will be advised to surrender the locker failing which Bank will be within its rights to cancel the allotment of the locker and break open the locker.

g) Where no response is received or locker hirer fails to operate the locker within the time sought, final notice of 30 days as per (**Annexure-S)** will be sent.

h) If neither a response is received from the lessee nor the locker is operated, the branch shall proceed in accordance with the bank's prevailing guidelines for breaking open lockers.

i) The above mentioned guidelines are applicable for both existing as well as new locker hirers.

## 19. SECRECY

The details and identity of locker hirers shall be treated with strict confidentiality. A board displaying the following notice shall be placed prominently in the vault, in English, Hindi, and the relevant regional language: -

a) "Smoking not allowed" - "Smoking not allowed"(This should be displayed at the main entrance of the vault).

b) "Right of Admission Reserved". (This should be displayed at the outer entrance).

c) "Safe Deposit Vault facility available". (This should be displayed at prominent place/s of the Branch Premises).

d) "Visitors are requested to ensure before leaving the Vault that nothing is left out of the locker and the locker is properly locked. (This should be displayed inside the locker room).

e) "Dear Locker holder - Hirers are advised in their own interest to insure any items of value deposited in a Safe Deposit Locker with the Bank." (To be displayed outside the Locker Room).

f) "Working Hours

On Working Days from ………. to ………

Intervals on Working Days from ………. to ……… (This should be displayed outside the vault).

*The operative timings for Safe Deposit Vaults (Lockers) should end half an hour before the close of office hours.

No unauthorized person, including staff members, not connected with the safe deposit vault should be allowed to enter the vault. Also access to the vault should not be allowed to anybody, during the prescribed locker operation hours.

## 20. LOCKER MODULE IN CBS

After the migration of locker module in CBS the following procedure in respect of operation of lockers is reiterated:

a) System of obtaining and maintaining the Lessees Account Ledger (PNB 81) has been discontinued.

b) The existing Lessees Account Ledger in respect of presently hired lockers would be consigned to old records and preserved as per the Bank's Record Maintenance Policy.

c) The signatures of the visiting Lessee/Authorized Person will be obtained in the Kacha Visit Register (Form No. PNB-82). Custodian before opening the locker must compare the visitor's signature with his/her specimen signatures, uploaded in the "Locker Module" and ensure its genuineness, by invoking the relevant Menu Option.

d) The Locker Register and the Locker Key Register are maintained in Locker Module in CBS. The Locker Register shall be updated in case of any change in the allotment with complete audit trails

Maker/Checker concept has been introduced in HLKCM Menu.

## 21. MERGER / CLOSURE / SHIFTING OF BRANCH OR MIGRATION /SHIFTING OF LOCKER IN BULK FROM ONE BRANCH TO ANOTHER

a) Bank shall have the right to shift the locker cabinets from the existing premises to other premises on account of closure of the branch/shifting of the branch to new premises/ on account of merger of the branch with some other branch/discontinuance of the said locker facility at the existing premises/for any other reasons thereof.

b) Facility to migrate/shift lockers from one branch to another in bulk has been customized.

c) In case of merger /closure / shifting of branch public notice be given prior to merger / closure / shifting of branch.

## 22. VALIDITY AND REVIEW OF OPERATIONAL GUIDELINES

The Operational Guidelines shall remain valid for twelve (12) months from the date of approval of Policy (Part-I) by the Board. The Operational Guidelines shall be subject to annual review. Further, the Operational Risk Management Committee (ORMC) is authorized to incorporate to extend validity period of Operational Guidelines for a period up to three months and the Board will be informed of such extension subsequently at the time of annual review.

**Annexure-F**

## Inventory Form and Acknowledgement for Safe Deposit Lockers

The following inventory of contents of Safe Deposit Locker No.____________________ located at ____________________________Branch of ______________________Bank

*hired in her/ his sole name by Shri/ Smt./ Kum. _______________________ (deceased),
*hired jointly by Shri/ Smt./ Kum. (i) _________________________________ (deceased)
(ii)____________________________________
(iii) ___________________________________
was taken on this _______________________day of _____________20________.

| Sr. No. | Description of Articles in Safety Deposit Locker | Other Identifying Particulars, if any |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |
| 6. | | |

2. For the purpose of inventory, access to the locker was given to the nominee/ survivor/ legal heirs/ beneficiary named in the Will or their duly authorized representative/s:
- *By breaking open the locker under her/ his/ their instructions.
- *Who produced the key to the locker

3.The above inventory was taken in the presence of:
(i) **Nominee/ Legal heir/ Beneficiary named in the Will of deceased hirer(s) or their duly authorized representative**

Shri/Smt./Kum.___________________________ ___________________

Address _________________________________ (Signature)

Shri/Smt./Kum.____________________________ ____________________

(Signature)

And

**(ii) Survivors in case of Joint hirers (if applicable)**

Shri/Smt./Kum.____________________________

Address _________________________________ ________________
(Signature)

Shri/Smt./Kum.____________________________ ____________

Address _________________________________ (Signature)

**(iii) Witness(es)**

Shri/Smt./Kum.____________________________ ________________

Address _________________________________ (Signature)

Shri/Smt./Kum.___________________________ ____________________

Address _________________________________ (Signature)

**(iv) On behalf of Bank Custodian:**

Shri/Smt./Kum.____________________________

Address _________________________________ ____________________
(Signature)

Bank employee other than Custodian:

Shri/Smt./Kum.____________________________

Address _________________________________ ____________________
(Signature)

*(Delete whichever is not applicable)

## ACKNOWLEDGEMENT

*I/We, Shri/Smt./Kum.______________________________________
______________________________________
______________________________________

(Name of the nominee(s)/ legal heir(s)/ beneficiary named in the Will or their duly authorized representative and

Shri/ Smt. / Kum. ________________________________________
________________________________________
________________________________________
(Surviving hirers, if applicable)

hereby acknowledge the receipt of the contents of the safe deposit locker comprised in as set out in the above inventory. Further, all the contents in the locker have been removed and the locker is empty, and I/ we have no objection to allotment of the locker to any other locker hirer as per norms of the bank.

Shri/Smt./Kum. ___________________________ ___________________
(Signature)

Shri/Smt./Kum. ___________________________ _________________________
____________________
(Signature)

Shri/Smt./Kum. ___________________________ ___________________
(Signature)

Date and Place ___________________________

(*Delete whichever is not applicable)

## Inventory form for Articles in Safe Custody

The following inventory of articles left in safe custody with ______________________ Branch of ____________________ Bank, by Shri/ Smt./ Kum. ___________________ (deceased), under an agreement/ receipt number _____ dated ________ was taken on this ___________ day of _____________ two thousand__________

| Sl. No. | Description of Articles in Safe Custody | Other identifying particulars, if any |
|---|---|---|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |

The above inventory was taken in the presence of:

(i) Nominee or Legal Heir or Person mandated by Nominee (including Minor Nominee)/ Legal Heir

Shri/ Smt./ Kum. ________________

Address ______________________(Signature)

Shri/ Smt./ Kum. ________________

Address _______________________

(ii) Witness(es)

Shri/ Smt./ Kum. _______________

Address ______________________(Signature)

Shri/ Smt./ Kum. ________________

Address _______________________ __________________ __________________

(Signature) __________________

**(iii)** On behalf of Bank Custodian:

Shri/ Smt./ Kum. __________________________________

Address ________________________________________

Bank employee other than Custodian:

Shri/ Smt./ Kum. __________________________________

Address ________________________________________

(Signature) ___________________

ACKNOWLEDGEMENT

*I, Shri/ Smt./ Kum. __________________________________ nominee/ legal heir/ mandate holder

*We, Shri/ Smt./ Kum. _________________________________

_________________________________

__________________________________ legal heirs, and

Shri/ Smt./ Kum. ______________________________________

_______________________________________

_______________________________________

hereby, acknowledge the receipt of the articles kept in the safe custody comprised in as set out in the above inventory.

Shri/ Smt./ Kum ________________________ (Legal Heir/ Mandate Holder)

Shri/ Smt./ Kum. __________________________ Signature ___________________

Shri/ Smt./ Kum. __________________________ Signature ____________________

Shri/ Smt./ Kum. ___________________________Signature ____________________

Date and Place _____________________________

(*Delete whichever is not applicable)

**Annexure- G**

**DRAFT LETTER ADVISING NEW LOCKER- HIRER ABOUT THE MANDATORY OPERATION OF LOCKER**
**(Depending upon the risk classification)**

Date:

**REGISTERED AD**

Shri/Ms.
Address:

Dear Sir / Madam,

Re: Your locker no……………………………with our branch.

Kindly refer to the Locker Agreement dated ………………..executed by you on account of above locker hired by you.

We request you to kindly operate your locker at least once during one / three years, ensuring that the time gap between two operations should not exceed the period as mentioned above.

We assure you of secured and friendly lessor - lessee relationship. Thanking you,

Yours faithfully,

Incumbent In-charge

**Annexure-H**

**LETTER OF DESIGNATION OF WITNESS (ES) BY THE VISUALLY IMPAIRED PERSONS FOR AVAILING LOCKER FACILITY AND CONSENT OF THE WITNESS(ES) THERETO**

Date:

The Manager,
Punjab National Bank,
BO:

Dear Sir,

**Reg: Locker No. _______**

*In pursuance of Rent Deed Memorandum dated _____________ being visually impaired person, intend to designate following person(s) as witness (es) for the purpose of witnessing operation of above locker by me:

*In continuation of my previous letter dated ……. whereby I designated (i) _______________, (ii) _________________and (iii) ________________as witness(es) for the purpose of witnessing operation of above locker by me, allotted by you in pursuance of Rent Deed Memorandum dated __________________, I hereby intend to amend the same as under:

| S. No | PARTICULARS | STATUS (EXISTING/NEW) |
|---|---|---|
| 1. | Name …………………….<br>Son/Daughter/Wife of………………<br>Address………………………………….<br>Telephone/Mobile No. ……………….<br>Relationship with the designated person ………. | |
| 2. | Name …………………….<br>Son/Daughter/Wife of………………<br>Address………………………………….<br>Telephone/Mobile No. ……………….<br>Relationship with the designated person ………. | |

| | | |
|---|---|---|
| 3. | Name ……………………<br>Son/Daughter/Wife of………………<br>Address…………………………………<br>Telephone/Mobile No. ……………….<br>Relationship with the designated person ………. | |

Thanking You,

Yours Faithfully

**(Signatures/Thumb– impression of the visually impaired Person availing the locker facility)**

**Signature of the Witness**
**Name**
**Address**

## CONSENT OF THE WITNESS (ES)

In the matter of my designation as witness by Shri/ Ms. (visually impaired person), son/ daughter/ wife of ________________________________________ resident of ____________________________________________(hereafter referred to as "Lessee'') for the purpose of witnessing operation of locker no. allotted to him / her by Punjab National Bank, BO: _____________ as per Locker Agreement dated _________________executed by said Shri/ Ms ____________________,I/ we hereby give my/ our consent to accompany the said Shri/Ms. ________________________________ for witnessing operation of locker by the said Lessee, who is visually impaired, as and when desired/required by said Shri/ Ms. __________________________.

I/ We am/are aware that the Bank has full discretion to regulate or deny access to me / us, having regard to my/ our conduct/ behavior/ antecedents,at the time of accompanying the above locker holder for the purpose of witnessing operation of locker only.

I/ We will abide by the rules and regulations, as are applicable from time to time, of the Bank.

**<u>Specimen signatures of the designated witness (es)</u>**

| S.No | Particulars | Specimen Signatures of the Witness | Photograph of the Witness |
|---|---|---|---|
| 1. | Name<br>Address<br><br>Occupation<br>Nature of Bank Account & Account Number<br>Relationship with the Appointer | | Paste Passport size photographof the witness |
| 2. | Name<br>Address<br><br>Occupation<br>Nature of Bank Account & Account Number<br>Relationship with the Appointer | | Paste Passport size photographof the witness |

| | | | |
|---|---|---|---|
| **3.** | Name<br>Address<br><br>Occupation<br>Nature of Bank Account & Account Number<br>Relationship with the Appointer | | Paste Passport size photographof the witness |

**Signature of the designated witness**

12

3

**<u>Signature / RTI / LTI of the Lessee</u>**

**Date**

**Place**

Signature of the authorized official along with GBPA number

(Signatures and photographs of the designated witness (es) inducted for the first time should be verified and photographs of the designated witness (es) inducted for the first time should be verified by the Bank's Authorized Official and the identity proof attached hereto. In case of existing witnesses, their fresh photographs and identity proof may not be insisted upon until and unless there is change in the appearance / address).

## Annexure to Locker Agreement

**Clause 21 -** Special conditions as applicable to lessees who are visually impaired.

Notwithstanding that I am visually handicapped, the Bank, at my request, has agreed to lease a locker on rent. However, in order to facilitate operation of the locker by me, the Bank will permit only one of the witnesses, as designated by me through a separate mandate**,** to accompany me during my operation of the locker.

That I undertake that the designated witness accompanying me forwitnessing operation of the locker will also abide by the rules of the Bank, as applicable from time to time.

That I am aware that the Bank has full discretion to regulate or deny access to the witness having regard to his/her conduct/behavior/ antecedents.

That I have been orally informed of the various terms and conditions of operating the locker as contained in the Rent Deed Memorandumexecuted by me on ________________and have understood the same. I agree that the locker facility has been extended to me solely at my own risk and responsibility and the Bank will not be held liable for any loss in any manner whatsoever.

Signature / Thumb impression of the lessee

Date:

Place:

Witness

Signature

Name

Address

**Annexure- I**

## INGRESS AND EGRESS REGISTER

| Date | From | To | Signature of the Official/Any other Individual | Signature of the Manager | Reason |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

**Annexure-J**

## Due Date Reminder (Preliminary Notice for Overdue Locker Rent)

Ref. No. _________________

Date ______________

________________________

________________________

________________________

Dear Sir/Madam,

Locker No. ____________

This is to notify you that an amount of ₹__________________________ towards locker rent for _____ years, covering the period from _____________ to _____________ is now due for payment on ______________. We request that the payment be deposited at the earliest.

Yours faithfully,

Custodian

**Annexure-K**

**Second Reminder for Overdue Locker Rent**

Date: _________________

Ref____________

________________

Dear Sir(s)/ Madam

**LOCKER No.______________**

With reference to our letter dated ______________, we would like to remind you that the locker rent for the year ____________, which was due on ______________, is still pending.

Since the locker rent is payable in advance, we request you to clear the dues without any further delay to continue availing hassle free locker operations.

**Yours faithfully**

**Custodian**

**Annexure – L**

## Preliminary Notice

**Date: __________**

Shri/Ms.

Address:

Dear Sir/ Madam,

Reg: Your locker no……………………. with our branch

1. It has been observed that the above locker has not been operated/the rent has not been paid since__________. We request you to operate the locker/pay the rent immediately but not later than ___ days of the receipt of this notice.
2. In case you are not in a position to operate the above locker, please inform the reasons and the likely date when you intend to operate the same.
3. In case you do not want to continue with the locker, the same may be surrendered immediately.
4. Please note that as per the term of the Safe Deposit Locker Agreement dated ___________ non-operation of the locker may result into breaking open of the locker by the Bank/Branch at your cost, risk and responsibility, etc.*

   OR/AND

5. Please note that as per the term of the Safe Deposit Locker Agreement dated ___________ non-payment of rent may result into breaking open of the locker by the Bank at your cost, risk and responsibility.
6. Please do keep us posted with any change in your correspondence address.
7. We assure you of best services.

Thanking you

Yours sincerely,

*[Note: If default notice is given due to breach of any other term of Agreement (other than non-operation of locker/ non- payment of rent), the draft be suitably modified.]
# Strike of if inapplicable and only such clause be retained for whose breach notice is being given.

**Annexure- M**

**Reminder Notice**

**Date:**

Shri/Ms

Address:

Dear Sir / Madam,

Reg: Your locker no……………………. with our branch

1. This is in continuation to our notice dated ________ wherein it was informed that the above locker has not been operated/the rent has not been paid since__________. It was requested to operate the locker/pay the rent immediately but not later than ______ days of the receipt of the said notice.
2. However, till date there has not been any operation of the locker /submission of convincing reasons for non-operation
   OR/AND
   However, till date the pending rent has not been paid by you. *
3. Therefore, you are once again informed that as per the term of the Safe Deposit Locker Agreement dated ___________ non-operation of the locker may result into breaking open of the locker by the Bank at your cost, risk and responsibility, etc.
   OR
4. Therefore, you are once again informed that as per the term of the Safe Deposit Locker Agreement dated ___________ non-payment of rent may result into breaking open of the locker by the Bank/Branch at your cost, risk and responsibility.
5. In case the locker remains non-operative/rent is not paid within ____ days of the receipt of the present notice, the Bank will be in its right to terminate the present agreement as per clause 3.2.1 of the Safe Deposit Locker Agreement.
6. In case you do not want to continue with the locker, the same may be surrendered immediately.
7. Please do keep us posted with any change in your correspondence address.
8. We assure you of best services.

Thanking you

Yours sincerely,
*[Note: If default notice is given due to breach of any other term of Agreement (other than non-operation of locker/non- payment of rent), the draft be suitably modified.]
# Strike of if inapplicable

**Annexure-N**

## Termination Notice

To______

Dear Sir/madam

Safe Deposit Locker No.:

This is in continuation to our notices dated ____ and _____ wherein it was informed that the above locker has not been operated/the rent has not been paid since__________. It was requested to operate the locker/pay the rent by _____________.

However, till date there has not been any operation of the locker or submission of convincing reasons for non-operation

OR/AND

However, till date the pending rent has not been paid by you*

Therefore, in exercise of its right as provided under clause 3.2.1 of the Safe Deposit Locker Agreement dated ___________, we hereby terminate the Agreement. Please note that such termination is without prejudice to our other right as available under the agreement and applicable laws and rules.

It is requested to surrender the locker, remove the contents of the locker and deposit the key within ____ days of the present notice failing which the Bank/Branch will be constrained to proceed for break open your locker at your own risk and responsibility, regardless of the fact that upto date rent has been paid by you. Further please note that overdue rent arrears, if any, along with break open charges, costs, etc. will be recovered from you.

Yours sincerely,

*[Note: If default notice is given due to breach of any other term of Agreement (other than non-operation of locker/non- payment of rent), the draft be suitably modified.]
# Strike of if inapplicable

**Annexure-O**

**Break Open Notice**

To
___________________
____________________

Dear Sir/madam

Safe Deposit Locker No.:

This is in continuation to our notices dated __________and ___________. Even though the agreement has been terminated vide our notice dated _________ and you have been requested to surrender the locker, remove the contents of the locker and deposit the key, it is observed that till date you have not surrendered the locker, removed the contents of the locker and deposited the key.

Therefore, in exercise of its right as provided under clause 3.3 of the Safe Deposit Locker Agreement dated ___________ we hereby inform you that in case you fail to surrender the locker, remove the contents of the locker and deposit the key within ____ days, we will proceed to break open your locker at ____AM/PM on ________ when you may remain present to witness the inventory of the contents of the locker that we make. Please note that we will proceed with breaking open the locker and preparing inventory even in your absence, if you fail to remain present at the appointed date and time. Please note that such Breaking Open is without prejudice to our other right as available under the agreement and applicable laws and rules.

The contents of the Locker shall be dealt appropriately in accordance with applicable law and rules/Bank's internal guidelines at your cost, liabilities and further consequences.

Please note that such breaking open of the locker does not prejudice the other right as available to us under the agreement and applicable laws and rules.

Yours sincerely,

**Annexure- P**

**Letter to Lessees for Non-Operation of Locker**
REGISTERED AD

**Date:**

Shri/Ms
Address:

Dear Sir(s) / Madam,

Reg: Your locker no……………………. with our branch

It has been observed that the above locker has not been operated for last one / three years (last operation being done on ). We request you to operate the lockerimmediately but not later than 15 days of the receipt of this letter.

2. In case you are not in a position to operate the above locker, please inform the reasons and the likely date when you intend to operate the same.

3. In case you do not want to continue with the locker, the same may be surrendered immediately.

4. Either non-operation of the locker or non-submission of convincing reasons for non-oeration may result into breaking open of the locker by the Bank at your cost, risk and responsibility.

5. Please do keep us posted with any change in your correspondence address.

6. We assure you of best services.

Thanking you,

Yours sincerely,

Branch Manager

**Annexure – Q**

**Reminder Letter for Non- Operation of Locker**

To
Sri/Ms.
Address:

Dear Sir(s) / Madam,

**Reg: Your locker no. …………………………………………….. with our branch**

Please refer to our letter dated ……………..., advising you that the above Locker has notbeen operated for last one/three years (last operation being done on……………...) It wasrequested to operate the Locker immediately but not later than 15 days of the receipt of the letter or inform the reasons and the likely date when you intend to operate the same.It was requested to surrender the Locker, if you are not interested in keeping the same.

We would like to put on record that neither have you visited the branch for operating the Locker, nor have you submitted reasons for non-operation and the likely date by which you intend to operate the same.

We again request you to operate the Locker immediately within a further period of 15 days of the receipt of the letter or inform the reasons and the likely date when you intend to operate the same. We reiterate that in case you are not interested in keeping the Locker, you may surrender the same.

We may inform that your not responding to our request may force us to break open the Locker and deal with the articles found as per the bank rules, entirely at your risk and responsibility, regardless of the fact that up to date rent has been paid by you.

Thanking you,

Yours Sincerely,

Branch Manager

**Annexure – R**

**Final Notice Advising Locker-Hirer to Operate Locker**
**Registered AD**

Shri/Ms Date:
Address:

Dear Sir / Madam,
Address:

**Reg: Your locker no. ………………………………………………with our branch**

Please refer our letter dated ______________ advising you to operate the locker as you have not operated the locker since ________________. It was further requested that in case of yourinability to operate the locker, Bank be advised of the reasons.

Further, vide our letter dated _______________, we again requested you to operate the locker or to surrender the same, if you do not intend to continue with the facility.

It is a matter of concern that neither have you operated the locker nor submitted any reason for non-operation.

We finally request you to operate the locker by _______. In case you do notwish to continue with the locker facility, you are free to surrender the locker.

In case you fail to operate / surrender the locker by _____________, Bank shall be left with no option but to break open the locker and deal with the articles found as per bank rules, entirely at your risk and responsibility, regardless of the fact that up to date rent has been paid by you.

Please note that no further communication to this effect will be sent by the Bank.

Thanking you,

Yours Sincerely,

Branch Manager

**Annexure- S**

## STATEMENT OF LOCKERS HIRED ON HIGH/ MEDIUM RISK LOCKER HIRERS AS ON

**Date:**

**Branch**

**Circle**

**Zone**

| Category | Total No.of Locker | LockersHired | No. of Locker Holder classified as High Risk | No. of Locker Holder classified as Medium Risk |
|---|---|---|---|---|
| Small | | | | |
| Medium | | | | |
| Large | | | | |
| Extra Large | | | | |

**It is confirmed that risk classification as per KYC norms has been carried out in respect to all the lockers hired and wherever required, steps are being taken for advising Locker hirers to operate the locker.**

**CUSTODIAN** **BRANCH MANAGER**

## APPENDIX

**LIST OF REFERENCES INCLUDING RELATED POLICIES / FORMS, RBI CIRCULARS, ETC.**

a) Policy of the Bank for Domestic Resident Rupee Deposits Model Policy on Bank Deposits circulated by BA & RM (Deposit & Marketing) Circular No. 35/2025, dated 24.07.2025.

b) Policy of Locker circulated by BA & RM (Deposit & Marketing) Circular No. 31/2025, dated 19.07.2025

c) Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025 dated 28.11.2025.

d) Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Amendment Directions, 2025 dated 04.12.2025.

e) Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025 dated 28.11.2025

f) Model Policy on Bank Deposits was formulated by the Indian Bank Association (IBA) in 2006.

g) Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025 dated 04.12.2025.