

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3650
ANSWERED ON:14.12.2012
BANK LOCKERS
Rajendran Shri C.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken note of a large number of bank lockers in various Public Sector Banks across the country being inoperative for several years;
- (b) if so, the details thereof during the last five years, bank-wise;
- (c) whether the Government proposes to take any action to clear such lockers; and
- (d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): Yes, Sir. In view of an instance of explosives and weapons found in a locker in a bank branch, the Reserve Bank of India (RBI) issued instruction to the banks to exercise due care and necessary precaution for protection of the lockers provided to the customers, such as:

i. Banks should carry out customer due diligence for both new and existing customers at least to the levels prescribed for customers classified as medium risk. If the customer is classified in a higher risk category, customer due diligence as per KYC norms applicable to such higher risk category should be carried out.

ii. Where the lockers have remained inoperative for more than three years for medium risk category or one year for a higher risk category, banks should immediately contact the locker-hirer and advise him to either operate the locker or surrender it. In case the locker-hirer has some genuine reasons as in the case of NRIs or persons who are out of town due to a transferable job, etc., banks may allow the locker hirer to continue with the locker.

iii. In case the locker-hirer does not respond nor operate the locker, banks should consider opening the lockers after giving due notice to him. In this context, banks should incorporate a clause in the locker agreement that in case the locker remains inoperative for more than one year, the bank would have the right to cancel the allotment of the locker and open the locker, even if the rent is paid regularly.

iv. Banks should have clear procedure drawn up in consultation with their legal advisers for break-open the lockers and taking stock of inventory.

The Management Information System (MIS) of RBI does not generate the information about the year-wise details of the number of lockers remained inoperative in various banks. However, the banks are expected to constantly review the efficacy of their internal control system to ensure compliance with the RBI guidelines.