

R. R. Lalam College

Assignment
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Subject name and number: Banking and Finance
MJ BAF 102

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Teacher sign:

Ques) Define types of Customers in Bank?

1. Minor ~~Minor~~ Customers

Who is Minor?

- In India, a person below the age of 18 years is called a "minor" under the law (Indian Majority Act, 1875 and Indian Contract Act, 1872 as per Section 11).
- A minor cannot enter into a contract in their own name, so they cannot operate bank account in their own name alone.

How to open a bank account for child?

- The account can be opened in the name of the minor but must be opened with his/her parents or a court appointed guardian.
- The account name should be written like this: Guardian Mrs. Parvatiben Shah by Master Rahul Shah

What happens after 18 years age.

When a minor turns 18:

- The bank writes a letter to him saying, "Now that you are an adult, get a new KYC done."
- A new specimen signature must be provided. The old account may be closed and a new account opened, or the old account may be converted into a mature account.

Important rules

- The younger ones themselves cannot take loans.
- Small businesses cannot guarantee loans to others.
- You become a minor nominee, but you will receive the money only after 18 years.
- In this way, banks protect the interests of small customers and also comply with the law.

2. Illiterate Customers

Who is an illiterate person?

A person ^{who} cannot read or write and cannot even write his/her own name is "illiterate person" in Banking. Such a person gives a thumb impression instead of signing.

Fingertrip rules (as per RBI and bank rules)

- Left hand thumb impression
- Right hand thumb impression
- After taking the tip, the bank employee writes:
"Left thumb impression of Shri Ramabhai Patel" or
"Right thumb impression of Smt. Kantaben Desai".

Account Opening Process

- Photos required (on account opening form & on SSCard)
- At least 2 witnesses are required who can read and write.
- Video KYC can also be done (now mandatory in many banks).

3. Blind Customer

- Completely different from an illiterate person - a blind person is considered a completely independent customer in a bank, because:
 - He can read and write.
 - He can sign.
 - Its capacity under the law is complete (as per the Indian Contract Act)
 - RBI has a clear instruction, "Blind persons are fully competent to open and operate bank accounts independently"

Account Opening Process

- The form is filled out just like a normal customer.
- He signs himself (as he does)
- Photo and KYC normal
- If the person can read and write in a form is also provided.

Example: Vijaybbai 28 years old, is an IT professional, blind since birth. He opens a salary account in HDFC Bank. He signs himself, get a cheque book, activating net banking. The bank provides him with net banking that works with a screen reader (J). The debit card is written in

4. Married Woman Customer

Today, a married woman is an 100% independent consumer. She can open an account in her own name, operate it, take out a loan, get a locker - Everything! No husband's permission or signature is required.

How is an account written

Today 95% of women open accounts in their names.

How to write account name

- Only in his own name example - Smt. Priyanka R. Shah ~~man~~ mostly used (modern).
- With husband's name Traditional Smt. Priyanka W/O Rajeshkhai Shah In the village, old woman prefer to used it.
- Mangalsutra name in (some place) Smt. Priyanka Rajeshkumar Shah Popular in Gujarat-Rajasthan

5. Lunatic / Person of Unsound Mind

1. Legal status

- The Indian Contract Act 1872 Section 11 & 12 says - A person who is not mentally sound and does not understand the matter cannot enter into a contract. Therefore, his bank account cannot be operated alone and a new account cannot be opened.

2. What happens if the bank "find out"?
If the bank finds out that the customer is mentally unwell, the bank immediately freezes (closes) the account - neither deposits nor withdrawals.

6. Joint Account and its holders

What is a joint account?

A single account in which 2 or more people have their names and they are all owners. Most often it happens between husband & wife, parents & children, brothers & sisters, business partners.

Four main types of joint accounts (modes of operation)

Type

1. Either or Survivor Either one can run ^{The remaining person} get the entire acc.
2. Anyone or Survivor Can run all or none ^{The remaining survivor} get it.
3. Jointly Operated Sign. of all required ^{Everyone sign is} get it ^{even after death}.
4. Former or Survivor Only first person drives. ^{If the first person dies, the} second one will get.

7. Partnership Customer

What is a partnership firm?

An organisation formed by two or more persons to carry on a business together. In India,

this operates under the Indian Partnership Act 1932

How do I open a bank account?

The name of the account is written

In the name of the firms

M/s messers Partnership Firm Symbol

Example

M/s. Shreeji Traders

M/s. Patel Brothers

Documents required for opening an account :

Documents	Note
Partnership Deed	must be notarized
PAN card of the firm	should be in name of firm
GST certificate (if applicable)	
Shop Act / MSME / Udyam 24 station	
KYC of all partner (Aadhaar + PAN)	
Authority letter	it should be written who will operate
Proof of firm's registered office	Light bill / rent agreement

8. Hindu Undivided Family (HUF)

What is HUF?

- Only for Hindu, Jain, Sikh & Buddhist families
- Considered a separate "legal entity".
- This includes ancestral property + family income.
- Tax returns are filled separately, PAN is separate.

Account name is written as
Name of the Karta (eldest male) + (HUF)

Example

Shri Rajeshbhai M.
Patel (HUF)

or

Rajeshbhai M. Patel (Karta)
Hindu undivided family.

Documents

Note

HUF's PAN Card should be in name of HUF only

HUF Deed Notarized or stamp paper.

KYC of Karta (Aadhaar + PAN)

List of all coparceners + date of ~~birth~~ birth

Affidavit - That he is does & family is undivided

Bank's own HUF form SBI, HDFC, ICICI, Axis, etc.