

e-Circular

SYSTEMS AND PROCEDURES.

Sl. No. : 96/2009 - 10

Circular No. : NBG/S&P-SP/4/2009 - 10

Thursday, May 07, 2009.

The Chief General Manager
State Bank of India
Local Head Office
All LHOs

S&P/SD/64.

Dated 06th May, 2009.

Dear Sir,

VISUALLY IMPAIRED PERSONS PROVISION OF SELF OPERATED CHEQUE BOOK FACILITY

The Ministry of Finance, Dept. of Economic Affairs (Banking Division), have forwarded to us a copy of communication no. F.3/2/2004-SCT(B) dated 15th September 2005, for compliance, in terms of order dated 5th, Sept. 2005 passed by the court of the Chief Commissioner for Persons with disabilities in the case No. 2791/2003/3910, regarding facilities to be provided to the visually impaired persons by the banks. The order states:

"Court is of the firm opinion that visually impaired persons can not be denied the facility of cheque book, locker and ATM on the possibility of risk in operating / using the said facility, as the element of risk is involved in case of other customers as well".

The Court order further states:

- a) *Visually impaired persons be allowed to open an account with cheque book facility (cheques to be crossed at the time of issue) with an undertaking by the account holder that the cheque book be issued at his/her own risk. On the request of the account holder, the bank issue the cheques in the name of the specified payee to make periodic payments for the retail loans, utility bills etc. At the time of issuing cheque books, thumb impression of the account holder should be duly affixed and authenticated by the bank official.*
- b) *For Cash withdrawals, the visually impaired person should personally present himself / herself before the bank official who will facilitate filling up the cheque / withdrawal slips.*

2. We have examined the matter. The issue involves following legal manifestations:

- a) The order dated 05-09-2005 passed by the Chief Commissioner under the Act, has no provision for appeal against the orders of the Chief Commissioner in the Act. Letter dated 15-09-2005 from Banking Division also refers to compliance of the order.
- b) A blind person is competent to contract under the Indian Contract Act. There is no legal impediment in providing for a procedure for certain accounts viz, opened by visually impaired / blind, deaf / dumb subject to suitable safeguards.

3. Policy / instructions for issue of cheque book to visually handicapped persons are already available in our Bank and detailed in '**Book of Instructions Vol. II – Deposits**' in Chapter – 3, paragraph 60 – 66, page 15 & 16.

4. Gist of Extant Instructions

Instructions relating to 'Blind Depositors' were last circulated vide Corporate Centre circular no. S&P/18/95-96. Gist of extant instructions is given below:

- a) Deposit account can be opened in the name of blind persons, to be operated singly or jointly with others or in the names of sole proprietorship concerns/ firms/ partnerships.
- b) A blind person may open ordinary or cheque operated deposit account in his sole name or jointly with other person(s).
- c) Alike other literate depositors, if a blind person is literate and is in a position to sign uniformly, he may put his signature on the account opening form, pay-in slips and the withdrawal order forms.
- d) Except for the extra care to be taken in handling cash payment to the blind depositor, all other rules relating to withdrawing amount through withdrawal slip are the same for both the 'literate depositors' and the 'literate blind depositors'.
- e) In case of a cheque operated account, the blind person may operate the account singly (ie through a power of attorney) or jointly with any other person as given below:
 - i) All withdrawals by cheques will be permitted only under the signature of a duly constituted attorney of the blind account holder.
 - ii) Where one of the depositors is blind, a joint account to be operated by 'either or survivor' or 'anyone of us or survivor(s)' may be opened and only the co-depositor, who is not blind, is allowed to operate on the account by means of cheques.

5. Modifications required in the light of the Court Order

In our Bank, operation by a cheque is permitted in a blind depositor's account either under the signature of a duly constituted 'power of attorney' or by the co-depositor, who is not blind. Since the existing instructions do not provide for 'self operated cheque book facility' for blind depositor, the instructions need to be modified for compliance of the court order which states, "*The visually impaired depositor may be allowed self operated cheque book facility*".

6. Revised Instructions

As per our Bank's policy, a blind person is allowed to open ordinary or cheque operated deposit account in his sole name or jointly with other person(s). The instructions relating to 'cheque operated accounts in the name of blind / visually impaired persons', have been modified as per draft circular S&P/04/2009-2010. SELF OPERATED CHEQUE FACILITY has now been provided to the visually impaired / blind depositors.

7. This leads to compliance of the Court Order in respect of provision of **self operated cheque book facility** to the visually impaired persons. Kindly issue instructions to the branches/ offices under your control as per the enclosed draft circular S&P/04/2009-2010.

Yours faithfully,

Sd.

Deputy Managing Director & CDO.

Draft Circular
S&P/04/2009 – 2010

[Issued under the cover of Corporate Centre letter no. S&P/SD/64
dated 06th May, 2009]

SELF OPERATED CHEQUE FACILITY TO VISUALLY IMPAIRED PERSONS

Instructions relating to cheque operated account in the name of blind / visually impaired depositors are detailed in 'Book of Instructions Vol. II - Deposits' in Chapter -3, paragraph 60-66, page 15 & 16. Instructions on captioned subject were last circulated vide Corporate Centre circular no. S&P/18/95-96 under the cover of Corporate Centre letter no. S&P/MKV/7652 Dated 27.02.96.

2. Extant Instructions:

- a) A blind person may open ordinary or cheque operated deposit account in his sole name or jointly with other person(s).
- b) In case of cheque operated account, the blind person may operate the account singly (ie through a 'power of attorney') or jointly with any other person as given below:
 - i) All withdrawals by cheques will be permitted only under the signature of a duly constituted 'power of attorney' of the blind account holder.
 - ii) Where one of the depositors is blind, a joint account to be operated by 'either or survivor' or 'anyone of us, or survivor(s)' may be opened and only the co-depositor, who is not blind, is allowed to operate on the account by means of a cheque.

3. There is a need to modify the existing instructions in terms of order dated 5th, Sept. 2005, passed by the court of the Chief Commissioner for Persons with disabilities in the case No. 2791/2003/3910, regarding facilities to be provided to the visually impaired persons by the banks.

4. Modified Instructions

Revised instructions relating to 'cheque operated accounts in the name of visually impaired / blind persons', are given below:

- 1. A visually impaired / blind person may at **her / his own risk**, open ordinary or cheque operated deposit account in her/his sole name or jointly with other person(s).
- 2. In case of cheque operated account, the visually impaired / blind person may operate the account singly (ie self operated or through a power of attorney) or jointly with any other person as given below:

A) SINGLE ACCOUNT

Operation by cheque in the account in sole name of a visually impaired / blind depositor.

i) Existing procedure for operation by cheque in the blind / visually impaired depositor's account in the sole name **may continue to be permitted**, under the signature of a duly constituted 'power of attorney' of the account holder.

ii) Where the depositor declines to operate her/his account in the 'sole name' through a power of attorney and insists on self operated cheque facility account, her/his request may be acceded to, only if, the depositor agrees to furnish an undertaking as per '**Annexure A**' that the self operated cheque book facility be provided / extended to the depositor / customer at her / his own risk.

B) JOINT ACCOUNT

Operation by cheque in the joint account of visually impaired / blind depositor(s)

i) Where one of the depositors is visually impaired/blind, a joint account, to be operated by 'either or survivor' or 'anyone of us or survivor(s)' may be opened and only the co-depositor, who is not blind, is allowed to operate on the account **by means of cheques**.

ii) In case, both / all the joint account holders are visually impaired / blind, then the account will be operated as given below:

a. Under the duly constituted **attorney of the (visually impaired / blind) joint account holders**.

b. Where the visually impaired / blind depositors/account holders decline to operate their 'cheque facility account' in joint names through a 'power of attorney' and insist on 'self / jointly operated cheque facility account', their request may be acceded to, only if, both / all the joint account holders agree to furnish an undertaking as per '**Annexure A**' that the 'self operated cheque book facility' be permitted to the account holders at their own risk.

3. In case of self operated cheque facility, an undertaking as per 'Annexure A' will be obtained in duplicate from the depositor(s) at the time of opening the account. One copy will be annexed to the account opening form when forwarding it to the 'LCPC'. The duplicate copy of 'Annexure A' shall be filed separately at the branch and shall remain in the custody of the 'Manager of the Division' / 'Branch Manager'. The file shall be made available to the inspecting officials for verification at the time of audit.

4. On receiving the cheque book from LCPC, the depositor should bring it to the Bank for branding of caution stamp and/or attestation of the thumb impression.
5. The Bank official shall arrange for branding of the caution stamp (Annexure B – (i) **"CARE - DEPOSITOR VISUALLY IMPAIRED"** on the cheque book (each cheque leaf) to alert the Bank officials /operational staff.
6. To enlarge the scope of banking facilities to the visually impaired / blind customers, they may be allowed to issue 'Post Dated Cheques' to banks and financial institutions.
7. Crossed cheque book for specific purpose like payment of loan, utility bills etc. may be issued to the visually impaired / blind depositors, if requested. Or else, the cheques should be crossed at the time of issue.
8. On the request of a visually impaired account holder, the Bank should issue cheques in the name of the specified payee to make periodic payments for the retail loans, utility bills etc. Bank official will facilitate in filling up the cheque in the presence of the visually impaired account holder. At the time of issuing such cheque(s), thumb impression of the account holder should be duly affixed on the cheque and authenticated by the bank official under his signature and SS No. along with the bank stamp **[Annexure B – ii./iii.]**.
9. The cheque, where the depositor(s)' thumb impression is not attested by the Bank official, shall be dishonored when presented for payment.
10. For cash withdrawals the visually impaired person should personally present herself / himself before the Bank official who will facilitate in filling up the cheque.
11. In case of self operated cheque facility account of visually impaired / blind depositors, the **third party cash payment of self drawn cheques** is not permitted.
12. Except for self operated cheque facility, all other extant instructions relating to opening of accounts in the name(s) of blind person(s) shall remain unchanged.

5. Rationale:

In our Bank **operation by a cheque** is permitted in a blind depositor's account either under the signature of a duly constituted power of attorney or by the co-depositor, who is not blind. Existing instructions have been modified to provide for **'self operated cheque book facility'** for blind depositor, in compliance of the court order.

Systems & Procedures Department
Corporate Centre
Mumbai.

