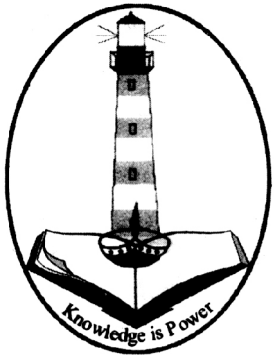


Rs.5/-



Light Circle

An Educational Newsletter
(English Monthly)

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Light : 15

DECEMBER 2016

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LIGHT CIRCLE : DECEMBER 2016

EDITORIAL

Dear Friends,

Think that you can

What you think of life plays an essential role in what you do with your life. Your thoughts can lock you in a prison of mediocrity or they can push you in each moment to be your spectacular best.

If you think the task will be difficult, tedious, frustrating or painful, it will be. If you think there's something valuable and enriching to be found in each day, in each situation, in each action, there will be.

Your thoughts decide the course of this day. Even with a whole world of other influences, your thoughts take precedent over how you live.

If you think every bad thing that happens to you is somebody else's fault, you strip yourself of the ability to do anything positive. If you think of yourself as ultimately responsible no matter who does what, you will consistently take yourself to beautiful, fulfilling places.

Objective reality is the way it is. What you think about that reality determines what you accomplish with it and how you live.

There is a way to live true to your highest vision of life. Think that you can, do what you think, and you will.

— **Ralph Marston**

With Best Wishes.

EDITORIAL BOARD.

GIST OF HO CIRCULARS ISSUED DURING NOVEMBER - 2016

- 582/2016 Canara Swipe- mobile app to manage regular Banking activities within a single app - Customer need not keep track of missed call numbers and SMS formats for availing services offered by our Bank. Customer can avail various regular Banking services by using the mobile app.
- 583/2016 Gold Related Schemes – Sovereign Gold Bonds Scheme VI Tranche.
- Sovereign Gold Bonds – Issue of Sixth Tranche (Series III FY-2016-17) conducted by RBI from 24th October to 2nd November 2016
 - To enter all applications mobilized, by 12-00 noon on 5th Nov, 2016
- 584/2016 IMPS facility- Customer friendly measure-Enabling Default MMIDA. IMPS facility can now be availed by all customers through Alternate Banking Channel.B. Instant money can be remitted without any registration for mobile banking or IMPS services.
- 585/2016 Policy on “Use of Social Media/Electronic Media/Internet Blogs etc., by the employees – Do’s and Don’ts.
- 586/2016 REGISTRATION OF MOBILE NUMBER IN CBS ACCOUNTS
- Registration of Mobile Number for CASA Accounts is very crucial to send online alerts
 - Ensure registration of Mobile Number for all CASA Accounts on or before 31.03.2017
- 587/2016 IBA GROUP MEDICAL INSURANCE POLICY : RENEWAL OF THE EXISTING POLICY AND INCLUSION OF RETIRED EMPLOYEES / SPOUSES OF DECEASED EMPLOYEES WHO RETIRED / DIED DURING THE LAST EXISTING EMPLOYEES’ POLICY PERIOD I.E.01.10.2015 TO 30.09.2016 : EXTENSION OF TIME TO OPT FOR RENEWAL
- 588/2016 UPDATION OF DEPENDENT DETAILS IN TERMS OF CLAUSE NO.18 OF 10TH BIPARTITE SETTLEMENT.
- 589/2016 Consolidated guidelines for Relief Measures in areas affected by Natural Calamities
- Consolidated guidelines on relief Measures in areas affected by Natural Calamities.
 - Comprehensive action points to be initiated by Branches /Offices in areas affected by Natural Calamities.
 - RBI Guidelines for Relief measures by Banks in Areas affected by Natural Calamities
- 590/2016 OBSERVE MUDRA / STAND UP INDIA DAY EVERY MONTH
- 591/2016 OBTAINING AADHAAR NUMBER WHILE OPENING NEW SB ACCOUNT.
- Obtaining Aadhaar number while opening new SB Accounts.
 - 100% Aadhaar seeding in all operative accounts.
 - Where ever there is no provision for writing Aadhaar number on the SB Account opening form, branches to affix rubber stamp for incorporating Aadhaar number.
- 592/2016 Implementation of Governments decisions on the recommendations of the Seventh Central Pay Commission – Revision of Pension of Pre-2016 Defence forces Pensioners/ Family Pensioners .
- Government of India Office Memorandum issued on recommendations of the 7th Central Pay Commission –revision of pension of pre-2016 Defence forces pensioners/Family Pensioners
 - Applicable to all Defence pensioners/family pensioners who were drawing pension/ family pension before 01.01.2016.
 - These orders do not apply to Gallantry Awardees drawing only monetary allowance attached to the Award, such as Param Vir Chakra, Ashok Chakra etc., UK/HKSRA pensioners, Reservist pensioners/family pensioners, Ex-gratia payment pensioners/ family pensioners.
 - Applicable arrears will be credited to the pensioners accounts on or before 29th December, 2016
- 593/2016 Guidelines for opening/commencement of Family pensions of deceased Central / State Pensioners.
- Simplified comprehensive guidelines for opening of the Family pension in respect of Central Civil, Defence, Railways, Telecom, Postal and State Pension.

- The relevant forms and procedure to be followed to reduce time gap for disbursement of family pension.
- 594/2016 DELEGATION OF POWERS FOR PERMITTING LOANS/ADVANCES AGAINST OUR DOMESTIC TERM DEPOSITS AND ISSUE OF LCS/BGS FULLY BACKED BY CASH MARGIN OR DOMESTIC TERM DEPOSITS OF OUR BANK - MODIFICATIONS
Modification in Delegation of Powers with respect to:a. Loans/advances against our domestic Term Deposits (VSL/ OD against term deposits)b. Issue of LCs & Inland BGs backed by 100% / FLCs backed by 110% Cash margin or Domestic Term Deposits of our Bank
- 595/2016 CREDIT RISK MANAGEMENT- RISK RATING POLICY OF THE BANK FOR THE YEAR 2016-17 Modification in RAM Model Rating / Approval process post re-organization of Circles.
· Modification in Delegation of Powers with respect to the work flow relating to RAM Model for Risk Rating carried out at Circles and CRRD, HO.
- 596/2016 INCOME TAX FROM SALARY OF EMPLOYEES AND PENSION PAYMENTS FOR THE FINANCIAL YEAR 2016-17.1. IT calculations on the basis of IT proof; Date of proof verification shall be on or before 31st of December 2016.2. Mandatory furnishing of PAN, in absence of valid PAN deduction of TDS u/s 192 will be at 30%.3. Requirement of submission of evidence/ proof/ supporting documents in Form 12BB by employees for claiming certain deductions from salary income.4. Reiteration of income tax provisions and guidelines for Financial Year 2016-17.
- 597/2016 FUNDS TRANSFER BASED ON E-MAIL REQUESTS
- 598/2016 DECLARING THE BORROWERS AS WILFUL DEFAULTERS – REITERATION OF GUIDELINES
- 600/2016 REVISION IN INTEREST RATES ON DOMESTIC & NRO TERM DEPOSITS W.E.F. 10.11.2016.
· Revision in interest rate on Domestic and NRO Term Deposits w.e.f. 10.11.2016.
· All other terms and conditions detailed in HO Circular 548/2016 dated 13.10.2016 shall continue
- 601/2016 REVISION IN INTEREST RATES ON NRE TERM DEPOSITS W.E.F.10.11.2016.
· Interest rate on NRE term deposits revised w.e.f. 10.11.2016.
· All other terms and conditions detailed in HO Circular 549/2016 dt. 13.10.2016 to continue
- 602/2016 Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- Bank Notes – Operating instructions.
- 603/2016 CUSTOMERS' FORTNIGHT FROM 16.11.2016 TO 30.11.2016
- 604/2016 Cheque Drop Box Facility – Pilferage of Cheques from Drop Box – Reiteration of Guidelines
· The Cheque Drop Box Facility is restricted to the customers to drop cheques, to be presented in clearing
· The Cheque Drop Box shall be firmly fixed to the wall and secured with a lock of superior quality
· The key of the Drop Box shall be held by an Officer and to be part of KRA for him.
· The duplicate key of the Drop Box is to be kept in the Double Lock
· In case of missing of one of the keys of Drop Box, the locking system shall be replaced
· Ensure strict vigilance on the Cheque Drop Box against pilferage/misuse/theft of cheques
- 605/2016 DE-BLACKLISTED NGO - Rashtriya Mahila Kosh (RMK)
- 606/2016 SPECIAL CLEARING ARRANGEMENTS ON SATURDAY, NOVEMBER 12TH AND SUNDAY, NOVEMBER 13TH 2016.
· Special clearing arrangements on Saturday ,November 12th and Sunday, November 13th 2016.
· Branches to keep inward clearing processing infrastructure open during special clearing.
· Maintain sufficient balance in clearing settlement account.

607/2016	Demonetization of Currency Notes – accepting Specified Bank Notes by Cash Deposit Machines / Recyclers
608/2016	Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- Bank Notes – further clarification on exchange of Rs.4000/- across the counter.To act upon from 11.11.2016 onwards while exchanging Specified Bank Notes of Rs.500/- and Rs.1000/-
609/2016	Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/-Bank Notes – further clarification on Limit for Withdrawal of Cash and deposit of Specified Bank Notes into accounts <ul style="list-style-type: none"> · The limit for withdrawal of cash is not applicable to certain categories; · Currency Chests advised to accommodate the requests from other branches in their vicinity for supply of cash · Deposit of SBN into all types of Deposit / Loan accounts
610/2016	Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- - Bank Notes – Limit for Withdrawal of cash Government Departments may be allowed withdrawals beyond the stipulated limit of Rs.10,000/- subject to conditions.
611/2016	Opening of Bank branches on Saturday, November 12 and Sunday November 13, 2016.
612/2016	Withdrawal of legal tender character of existing Rs.500/- and Rs.1000/- bank notes.
613/2016	Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- - Bank Notes – Further instructions regarding Diversion of Bank Notes from Currency Chests1. Currency Chests to Issue available notes in the denominations of Rs.10,20,50, and 100 irrespective of degree of soilage .2. Obtention of prior approval from RBI for diversion of Bank notes from one currency chest to another currency chest kept in abeyance until 30.12.2016.3. All non-chest branches which have exchanged Specified Bank Notes to deposit the same with currency Chests.4. Chest branches should not refuse to accept such deposits from any non-chest branches/ Post Offices .
614/2016	Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- - Bank Notes – Revision in limits.1. The limit for exchange of Specified Bank Notes over the counter increased to Rs.4500/-2. Daily limit on withdrawal from ATMs increased to Rs.2500/- per day3. Weekly limit for withdrawal from bank accounts increased to Rs.24,000/-4. Daily limit of Rs.10,000/- for withdrawal from bank accounts stands withdrawn
615/2016	MOBILE NUMBER REGISTRATION IN CBS <ul style="list-style-type: none"> · Demonetization as an opportunity to capture Mobile Number in CBS. · Ensure registration of Mobile Number for all CASA Accounts on or before 31.03.2017.
616/2016	Withdrawal of Legal Tender Character of Specified Bank Notes – Expanding the distribution locations for deposit and withdrawal of cash. <ul style="list-style-type: none"> · To permit Current Account holders operational for last three months are allowed to withdraw upto Rs.50000 in a week. · To deploy Micro ATMs (Bala Mitras, etc) to provide larger volume of cash requirements. · To provide mobile vans in remote/unbanked areas. · To open accounts in a camp mode, to better serve group workers. · To use separate pay in chanllan for SBN and Non SBN · To engage retired employees. Reporting system
617/2016	Priority Sector Advances – Proper classification – Introduction of Quarterly confirmation Certificate regarding MSME Accounts
618/2016	Conversion of small accounts to PMJDY accounts
619/2016	Withdrawal of legal tender character of specified bank notes – expanding the distribution locations for deposit and withdrawal of cash.
620/2016	Standard Operating Procedure (SOP) for putting indelible ink on the finger of the customers coming to a bank branch for SBNs. <ul style="list-style-type: none"> · Branches to put indelible ink mark on the right index finger of the customer to identify customer exchanged the notes only once. · Each branch will be supplied indelible ink bottles of 5 ml each. · To be applied by the cashier or any official designate on the right index finger.
621/2016	AUTOMATIC RENEWAL OF CANARA SAMRIDDHI DEPOSITS UNDER GENERAL TERM DEPOSIT PRODUCTS.

- Branches can maintain maturity instruction in TD039 as re-invest to new account, where branch can select any product for renewal of Canara Samriddhi/Canara K Deposits.
- 622/2016 Prohibition of acceptance of Rs. 500/- & Rs. 1000/- notes towards Insurance Premium Payments
- Rs. 500/- & Rs. 1000/- notes are no longer legal tender as per Govt. of India directives.
 - As per existing guidelines, acceptance of cash towards Insurance Premium Payment is strictly prohibited. The Insurance premium payment is permitted only through direct debit to Customer's A/c or by Cheque / DD.
 - Branches are advised once again not to accept Cash of any denomination from Customers towards Insurance Premium payments
- 623/2016 Extension of RTGS timings from 16:30 hours to 18:30 hours till November 24, 2016
- 624/2016 ADDITIONAL INSURANCE COVER ON CASH/SECURITY AT OUR BRANCHES AND IN TRANSIT IN VIEW OF DE-MONETIZATION OF CURRENCY NOTES OF 500 & 1000 TILL 14.01.2017
- 625/2016 Enrolling Small Retailers for POS machines – Special Package 2016
- 626/2016 REVISION IN INTEREST RATES ON DOMESTIC & NRO TERM DEPOSITS W.E.F. 21.11.2016.
- Revision in interest rate on Domestic and NRO Term Deposits w.e.f. 21.11.2016.
 - All other terms and conditions detailed in HO Circular 600/2016 dated 09.11.2016 shall continue.
- 627/2016 REVISION IN INTEREST RATES ON NRE TERM DEPOSITS W.E.F.21.11.2016.
- Interest rate on NRE term deposits revised w.e.f. 21.11.2016.
 - All other terms and conditions detailed in HO Circular 601/2016 dt. 09.11.2016 to continue
- 628/2016 ADDITIONAL INSURANCE COVER FOR CASH/SECURITY IN TRANSIT IN VIEW OF DE-MONETIZATION OF CURRENCY NOTES OF 500 & 1000 TILL 16.01.2017
- 629/2016 Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- Bank Notes – Limit for Exchange over the counter
- The limit for exchange over the counter has been reduced to Rs.2000/-.
- 630/2016 AMENDMENT OF RULE 114B OF THE INCOME TAX RULES, 1962 REGARDING QUOTING OF PAN FOR SPECIFIED CASH TRANSACTIONS¹. Quoting of PAN for specified cash deposits exceeding Fifty thousand rupees during any one day and aggregating to more than two lakh fifty thousand rupees during the period from 09.11.2016 to 30.12.2016². Furnishing the statement of financial transaction under Form 61A on or before 31.01.2017, for Cash deposits during the period 09th November, 2016 to 30th December, 2016.
- 631/2016 Withdrawal of Legal Tender Character of existing Rs.500/- and Rs.1000/- Bank Notes – District Central Co- operative Banks (DCCBs)/Pre 2005 notes/Queue Management/Life Certificate to Pensioners.
- DCCBs are neither permitted to exchange nor accept deposits in SBNs.- DCCBs are allowed to withdraw any amount against the balances in their deposit account.
 - Pre 2005 - 500/1000 - SBN includes pre 2005 – 500/1000
 - Queue Management.
 - The last date for submission of Life Certificate extended upto 15/01/2017
- 632/2016 Reduction in Rates of Interest on HOUSING LOANS (all variants including a Special Package permitted to Officers/Employees of Central Govt./Defence Personnel & Personnel from Paramilitary forces) sanctioned on or after 19.11.2016.
- Reduction in Rates of Interest on Housing Loans (All Variants) sanctioned on or after 19.11.2016 are as under:
 - Loans upto Rs.75 lakhs - One year MCLR (i.e.,9.30% presently)
 - Loans Above Rs.75lakhs - One year MCLR + 0.05 (i.e 9.35% presently)
 - HL-CRE (3RD & subsequent dwelling units):
 - Loans upto Rs. 75 lakhs - One year MCLR+0.50 % (i.e., 9.80% presently)
 - Loans Above Rs. 75 lakhs - One year MCLR+0.05+0.50% (i.e.,9.85% presently)

- ROI revision is also applicable to Housing Loans permitted to the Officers/Employees of Central Government/Defence Personnel & Personnel from Paramilitary Forces that are sanctioned from 19-11-2016 (Special package permitted vide HO Cir. No. 464/2016 dt. 22.08.2016)
- 633/2016 Reduction in Rates of Interest on HOUSING LOANS (all variants including a Special Package permitted to Officers/Employees of Central Govt./Defence Personnel & Personnel from Paramilitary forces) sanctioned on or after 19.11.2016.? Reduction in Rates of Interest on Housing Loans (All Variants) sanctioned on or after 19.11.2016 are as under:- Loans upto Rs.75 lakhs - One year MCLR (i.e.,9.30% presently)- Loans Above Rs.75lakhs - One year MCLR + 0.05 (i.e 9.35% presently)? HL-CRE (3RD & subsequent dwelling units):- Loans upto Rs. 75 lakhs - One year MCLR+0.50 % (i.e., 9.80% presently)- Loans Above Rs. 75 lakhs - One year MCLR+0.05+0.50% (i.e.,9.85% presently)? ROI revision is also applicable to Housing Loans permitted to the Officers/Employees of Central Government/Defence Personnel & Personnel from Paramilitary Forces that are sanctioned from 19-11-2016 (Special package permitted vide HO Cir. No. 464/2016 dt. 22.08.2016).
- 634/2016 Produce Loan to farmers under agriculture – Finance against Warehouse Receipts – Need to popularise the scheme
- 635/2016 Introduction of personalized Canara Visa PayWave Platinum Debit Card - Near Field Communication (NFC) Technology
- Introduction of personalized Canara VISA PayWave Platinum Debit Card – Domestic, with photo, with Dual Interface NFC Technology
 - Visa payWave is a new technology available on the Canara payWave Cards that allows contactless payments
 - Mobile number registration is mandatory in CBS for issuance of card.
- 636/2016 Usage of ATMs – Waiver of customer charges till 30.12.2016
- Waiver of levy of ATM charges for all transactions (both financial and nonfinancial) by Savings Bank customers done at our ATMs as well as other Banks' ATMs, irrespective of the number of transactions during the month
 - This waiver is applicable from 10th November 2016 to 30th December 2016
- 637/2016 CHECK OFF FACILITY EXTENDED TO CANARA BANK SC/ST EMPLOYEES' WELFARE ASSOCIATION (REGD.) – INCREASE IN THE RATE OF SUBSCRIPTION
- 638/2016 Waiver of Merchant Discount Rate (MDR) on PoS / e-commerce - Transaction made using Rupay Cards – Government of India Initiative
- 639/2016 Revised KCC Scheme – enabled with Kisan Debit (RuPay) Cards
- 640/2016 Withdrawal of Legal Tender Character of Specified Bank Notes – Cash Withdrawal Limit to Overdraft and Cash Credit Accounts.
- Facility of withdrawal of Rs.50,000/-to Current Account holders is now extended to Overdraft and Cash Credit accounts also.
 - Not applicable for personal overdraft accounts.
 - May be disbursed predominantly in Rs.2000/- denomination bank notes.
- 641/2016 Withdrawal of Legal Tender Character of existing Rs.500 and Rs.1000 Specified Bank Notes (SBNs) – Cash withdrawal - for purpose of celebration of wedding / by Farmers / by Traders registered with APMC Markets/Mandis.
- Cash withdrawal up to Rs.2,50,000/- is allowed to meet wedding expenses with fully KYC compliant accounts.
 - Applicable only if the date of marriage is on or before December 30, 2016.
 - Farmers allowed to draw up to Rs.25,000/- per week in cash from loan accounts (including KCC Limits).
 - Traders registered with APMC markets/mandis permitted to draw up to Rs.50,000/- from their Current Account.
- 642/2016 Comprehensive Guidelines for updation of Life Certificate of Pensioners/ Family Pensioners.Mandatory obtention of Life Certificate from the pensioners / family pensioners during November every year and updation of Life Certificates in the Jeevan Pramaan Portal package for continuation of pension payments
- 643/2016 Withdrawal of Specified Bank Notes – Modifications/Revisions.

- Modification in the procedure in obtention of declaration from payees.
 - Cash to be made available for Rabi Crop Season.
 - Need for better “Q” management in bank branches.
 - Not to accept SBNs for deposits in Small Saving Schemes.
 - Branches to desist from fraudulent practices while exchanging SBNs
- 644/2016 IBA GROUP MEDICAL INSURANCE SCHEME FOR RETIREES / SPOUSES OF THE DECEASED EMPLOYEES - RENEWAL OF THE POLICY WEF 01.11.2016 TO 31.10.2017
- 645/2016 Modification of delegation of powers to Circle Head for enrolment of MEs & Deployment of PoS machines.
- Delegation of Powers to Circle Head for PoS proposals with concessions.
 - Power to relax CIBIL Score, concession in MDR rate and machine rent for Circle Head introduced.
- 646/2016 Pradhan Mantri Awas Yojana (PMAY) – Credit Linked Subsidy Scheme.
- Family member details of the Borrowers to be obtained.
 - Correct/accurate data should be furnished in the Subsidy Claim Sheet.
- 647/2016 Withdrawal of legal tender status of the Specified Bank Notes (SBNs)- Enhanced housekeeping functions.
- Adequate attention to housekeeping functions like verification, reconciliation of the receipts with the cash and cash balances.
 - Proper safekeeping of the notes and relevant records.
 - Branches to punch SBNs exchanged & deposited in SAS module without fail.
 - Regional Offices to ensure compliance, random visits to branches and weekly reports to CO.
 - Circle Offices to sensitize the branches and Offices and submit weekly report to GA Wing
- 648/2016 Specified Bank Notes (SBNs) - Deposit under Guarantee Scheme to decongest the storage facilities at banks
- Deposit of SBN notes directly with offices of RBI under whose jurisdiction Currency Chests are located.
 - SBNs will remain with vaults of RBI, under the lock and key of the depositing Chest till further examination.
 - Both the key holders jointly have to execute Guarantee form with Issue Department, Regional Office of RBI.
 - The scheme is effective from 25.11.2016.
- 649/2016 Withdrawal of Specified Bank Notes – Further guidelines
- Discontinuation of over the Counters Exchange of SBN.
 - Branches to take of pension payments immediately after credit of pensions through electronic credits.
 - Ensure cash requirements of the Armed Forces personnel at the military outposts
- 650/2016 TECHNOLOGY & QUALITY UPGRADATION (TEQUP) SUPPORT TO MICRO, SMALL & MEDIUM ENTERPRISES (MSMEs) – CLARIFICATIONS TO SCHEME GUIDELINES.
- ELIGIBILITY TO APPLY FOR SUBSIDY ASSISTANCE RESTRICTED TO EXISTING RUNNING UNITS ONLY. NEW UNITS NOT ELIGIBLE.
 - APPLICATION FOR SUBSIDY ASSISTANCE SHOULD BE SUBMITTED WITHIN TWO MONTHS FROM THE DATE OF SANCTION OF TERM LOAN.
 - ACCOUNTS TO WHICH SUBSIDY IS SOUGHT TO BE CREDITED SHOULD BE NECESSARILY AADHAAR SEEDDED.
- 651/2016 WHISTLE BLOWER POLICY - REPORTING IRREGULAR PRACTICES IN ANY OPERATIONAL AREAS INCLUDING FRAUDS & MALPRACTICES AT BRANCHES/ OFFICES - BASED ON “PUBLIC INTEREST DISCLOSURES & PROTECTION OF INFORMER (PIDPI) RESOLUTION”.
- 652/2016 Obtention of mobile nos.at account opening stage
- Branches need to insist on mobile no.of the account holder while opening new account

- Fact of non-disclosure of mobile no. Should be recorded in the account opening form
 - A written communication to be sent to the account holder
- 653/2016 LETTER OF RENEWAL OF AGREEMENT EXECUTED FROM DIRECT SELLING AGENTS (DSAs) FOR SOURCING HOME LOAN BUSINESS Letter of Renewal of Agreement Executed from Direct Selling Agents (DSAs)
- 654/2016 Withdrawal of Specified Bank Notes – Weekly limit of Cash withdrawal
- Customers to be allowed to withdraw Rs.24,000/- per week including withdrawals from ATMs.
- 655/2016 Financing Farmers Producer Organisations (FPOs) – Need to popularise the scheme
- Finance upto Rs.100 lakhs with Credit Guarantee cover of 85% from Small Farmers' Agribusiness Consortium (SFAC)
 - Need to popularize the scheme and cover eligible accounts invariably under Credit Guarantee
- 656/2016 Withdrawal of Specified Bank Notes – Chest Guarantee Scheme for Specified Bank Notes (SBNs) – by Reserve Bank of India – CGSS.
- New Scheme introduced for depositing SBNs with designated currency chest at the district level.
 - Scheme to remain operational for 7 working days from the date it commences in a district.
 - Official/officials to be authorized for making deposits under CGSS Scheme – Signatures to be registered with DC.
- 657/2016 Acceptance of Cash over the counter-Income Declaration Scheme 2016.
- Acceptance of cash of irrespective of amount over the counter under Income Declaration Scheme 2016 is extended till 30/09/2017.
 - Acceptance of SBN denomination notes of Rs 500/- for payment of taxes, surcharge and penalties under IDS 2016 upto 15/12/2016.
- 658/2016 Withdrawal of Specified Bank Notes – Relaxation in withdrawal for deposits made in Current Legal Tender (CLT) notes.
- Relaxation permitted for withdrawal of deposits made by the customers into the accounts in Current Legal Tender notes.
 - This is over and above the weekly withdrawal limits.
- 659/2016 RISK CATEGORISATION OF CUSTOMERS – DEPOSIT ACCOUNTS.
- categorization of customers (deposit accounts) as on 15.11.2016 has been updated in CBS centrally (the process completed on 22.11.2016).
 - Branches are required to review the risk categorization of existing accounts and update the risk category, wherever applicable, and confirm to the respective Regional Office on or before 15.12.2016.
 - The details of parameters for risk categorization (matrix for risk categorization) are provided in Annexure-I of the Circular.
- 660/2016 Corporate Agency Tie-up with M/S Bajaj Allianz General Insurance Co. Ltd. (BAGIC) for selling their General Insurance products
- Bank has entered into Corporate Agency agreement with M/S Bajaj Allianz General Insurance Co. Ltd. (BAGIC) for selling their General Insurance products for a period of 3 years.
 - This agreement is in addition to our existing agreement with M/s United India Insurance Co. Ltd for General Insurance Business.
 - Brochures / Applications can be downloaded from Cannaet under 'Bancassurance Updates' or printed forms supplied by BAGIC may also be utilized by branches.
 - Branches to mandatorily capture the Account number of the Customer buying the policy in the narration column while making premium payment to the collection A/c of BAGIC through CBS.
- 661/2016 Waiver of Merchant Discount Rate (MDR) on POS / e-commerce Transaction made using Visa/Master Cards till 31.12.2016.
- Merchant Discount Rate charged to Merchant on usage of VISA / MasterCard Debit Card is waived till 31.12.2016

- 662/2016 Withdrawal of legal tender character of existing Rs.500/- and Rs.1000/- Specified Bank Notes (SBNs) – Unwarranted activities / fraudulent practices
- 663/2016 Implementation of Pradhan Mantri Fasal Bima Yojana(PMFBY)/restructured - Weather Based Crop Insurance Scheme (WBCIS) during Rabi 2016-17 season – Uploading of Details Uploading of Rabi 2016-17 Crop insurance data by Branches directly into Crop Insurance Portal of Ministry of Agriculture, Cooperation Farmers Welfare, Government of India - Discontinuation of Excel Uploading of Data into the Portal
- 664/2016 KYC guidelines – reiteration of existing guidelines. - Reiteration of existing guidelines on KYC requirements.
- 665/2016 DEMONETISATION - ACCOUNTS UNDER PMJDY - PRECAUTIONS
- 666/2016 'SPECIAL DRIVE – UNNATI MONTH' - EXTENSION OF CAMPAIGN PERIOD TILL THE END OF DECEMBER 2016
- 667/2016 Waiver of cash handling charges for cash deposit in CA/OD/OCC accounts till 30.12.16.
- 668/2016 Pass book Updating Machine Kiosks (PUMs) – Monitoring and Maintenance
- Passbook Updating Machine Kiosks (PUMs)
 - Advantages of Passbook Updating Machines (PUMs)
 - Monitoring and Maintenance of PUMs
 - Frequently Asked Questions
- 669/2016 Extension of due date for submission of life certificate
- The time limit for submission of Annual Life Certificate of Ex-Employee pensioners/ family pensioners is extended upto 15th Jan 2017.
 - The guidelines communicated vide HO Cir.94/2016 dated 20.2.16 now stands withdrawn with immediate effect.
 - The other guidelines contained in HO cir.346/2012 dated 8.11.12 abd 585/2014 dated 17.10.2014 shall remain unchanged.
 - Pension will not be disbursed from January 2017 till confirmation of submission of life certificate from branches.
- 670/2016 Framework for Revival and Rehabilitation of Micro, Small and Medium Enterprises – Applications and Agreements.
- Draft agreements for restructuring under frame work for Revival and Rehabilitation of MSMEs
- 671/2016 SECTORAL POLICY FOR FINANCING OF (1) MINING & QUARRYING SECTOR (2) TEXTILE SECTOR (3) IRON & STEEL SECTOR AND (4) GEMS & JEWELLERY SECTOR. POLICY SHALL COVER INDUSTRIAL SECTORS UNDER MINING & QUARRYING, TEXTILE, IRON & STEEL AND GEMS & JEWELLERY.
- QUANTUM OF LOAN TO CORPORATE / NON-CORPORATE BORROWERS LINKED TO BANK'S CAPITAL FUND AND INTERNAL RATING.
 - FINANCIAL BENCHMARK TAKING FRESH EXPOSURE TO NEW ENTITIES REDEFINED
 - MINIMUM DSCR (ANNUAL BASIS) STIPULATED AT 1.10 WITH PERMISSIBLE RELAXATION ON CASE TO CASE BASIS.
 - MODIFICATIONS IN DELEGATION OF POWERS TOWARDS FINANCING UNDER THE SPECIFIED STRESSED SECTORS.
- 672/2016 DEENDAYAL ANTYODAYA YOJANA – NATIONAL URBAN LIVELIHOOD MISSION (DAY-NULM) – MODIFICATIONS TO SCHEME GUIDELINES. - CHANGE IN MARGIN MONEY STIPULATION FOR INDIVIDUALS, GROUP OF INDIVIDUALS & SELF HELP GROUPS

FOREX CIRCULARS

- FX/85/2016 EXTERNAL COMMERCIAL BORROWINGS (ECB) – EXTENSION AND CONVERSION RESERVE BANK OF INDIA HAS DELEGATED POWERS TO AD CATEGORY-I BANKS TO APPROVE REQUESTS FROM BORROWERS FOR EXTENSION OF MATURED BUT UNPAID ECB AND FOR CONVERSION OF MATURED BUT UNPAID ECB INTO EQUITY SUBJECT TO CERTAIN CONDITIONS.

- FX/86/2016 FOREIGN EXCHANGE MANAGEMENT (MANNER OF RECEIPT AND PAYMENT) REGULATIONS, 2016 RBI HAS REVISED THE REGULATIONS ISSUED UNDER THE FOREIGN EXCHANGE MANAGEMENT (MANNER OF RECEIPT AND PAYMENT) REGULATIONS, 2000 AND ACCORDINGLY THE SAID REGULATIONS HAVE BEEN REPEALED AND SUPERSEDED BY THE FOREIGN EXCHANGE MANAGEMENT (MANNER OF RECEIPT AND PAYMENT) REGULATIONS, 2016.
- FX/87/2016 FOREIGN OUTWARD REMITTANCES – USE OF CORRECT BENEFICIARY COUNTRY CODE BRANCHES SHALL ENSURE THAT CORRECT COUNTRY CODE IS SELECTED WHILE CREATING FOREIGN OUTWARD REMITTANCE TRANSACTIONS IN CBS SYSTEM.
- FX/88/2016 COLLECTION OF USD CLEAN INSTRUMENTS DRAWN IN USA THROUGH BANK OF AMERICA NA & WELLS FARGO BANK NA'S CASH LETTER SERVICE ARRANGEMENT (WITH RECOURSE) Commencement of Bank of America NA & Wells Fargo Bank NA's Cash Letter Service Arrangement (with recourse) (Up to USD 2,000)
- FX/89/2016 EXTERNAL COMMERCIAL BORROWINGS (ECB) BY STARTUPS RESERVE BANK OF INDIA HAS PERMITTED STARTUPS TO RAISE EXTERNAL COMMERCIAL BORROWINGS (ECB) SUBJECT TO CERTAIN CONDITIONS
- FX/90/2016 REVISION IN RATES OF INTEREST ON FCNR [B] & RFC DEPOSITS REVISION IN INTEREST RATES ON FCNR (B) DEPOSITS/ RFC DEPOSITS W.E.F. 01.11.2016
- FX/91/2016 FOREIGN CURRENCY DEMAND DRAFTS (FDDs) – DELINKING OF INSTRUMENTS IN CASE OF NON PRESENTATION. BRANCHES/OFFICES SHALL ENSURE DELINKING OF FDD, IN THE EVENT OF NON PRESENTATION OF THE SAME WITHIN THREE MONTHS AFTER EXPIRY OF VALIDITY PERIOD (I.E. SIX MONTHS FROM THE DATE OF ISSUANCE)
- FX/92/2016 IMPORT BILLS UNDER FLC – REPORTING PURCHASE OF DISCREPANCY FEE BRANCHES/OFFICES SHALL ENSURE REPORTING PURCHASE OF DISCREPANCY FEE OF USD 75/- AND CREDIT THE SAME TO THE COMMISSION AT THE BRANCH LEVEL.
- FX/93/2016 EXTERNAL COMMERCIAL BORROWINGS (ECB) – CLARIFICATIONS ON HEDGING RESERVE BANK OF INDIA HAS REVISED THE EXTERNAL COMMERCIAL BORROWINGS (ECB) FRAMEWORK
- FX/94/2016 WITHDRAWAL OF THE LEGAL TENDER CHARACTER OF THE EXISTING AND ANY OLDER SERIES BANKNOTES IN THE DENOMINATION OF RS.500 AND RS.1000 RBI HAS WITHDRAWN THE LEGAL TENDER CHARACTER OF THE EXISTING AND ANY OLDER SERIES BANKNOTES IN THE DENOMINATION OF RS.500 AND RS.1000 WITH EFFECT FROM THE MIDNIGHT OF NOVEMBER 8, 2016.
- FX/96/2016 FOREX MARKET OPERATIONS ON NOVEMBER 12 & 13, 2016 DOMESTIC FOREX MARKET OPERATIONS SHALL REMAIN CLOSED ON NOVEMBER 12 & 13, 2016
- FX/97/2016 FOREIGN EXCHANGE MANAGEMENT (INSURANCE) REGULATIONS, 2015 RBI HAS REVIEWED THE REGULATIONS ISSUED UNDER THE FOREIGN EXCHANGE MANAGEMENT (INSURANCE) REGULATIONS, 2000. ACCORDINGLY, THE SAID REGULATIONS HAVE BEEN REPEALED IN CONSULTATION WITH THE GOVERNMENT OF INDIA AND SUPERSEDED BY THE FOREIGN EXCHANGE MANAGEMENT (INSURANCE) REGULATIONS, 2015.
- FX/98/2016 INVESTMENT BY FOREIGN PORTFOLIO INVESTORS (FPI) IN CORPORATE DEBT SECURITIES RESERVE BANK OF INDIA HAS DECIDED TO EXPAND THE INVESTMENT BASKET OF ELIGIBLE INSTRUMENTS FOR INVESTMENT BY FOREIGN PORTFOLIO INVESTORS (FPIs) UNDER THE CORPORATE BOND ROUTE.
- FX/100/2016 USE OF CORRECT PURPOSE CODE BRANCHES/OFFICES SHALL ENSURE THAT CORRECT PURPOSE CODE IS SELECTED WHILE ENTERING FOREX TRANSACTIONS IN CBS SYSTEM.
- FX/101/2016 EXCHANGE FACILITY TO FOREIGN CITIZENS RBI HAS PERMITTED FOREIGN CITIZENS TO EXCHANGE FOREIGN CURRENCY NOTES FOR INDIAN CURRENCY NOTES UP TO A LIMIT OF RS.5000/- PER WEEK TILL DECEMBER 15, 2016.
- FX/102/2016 REVISION IN RATES OF INTEREST ON FCNR [B] & RFC DEPOSITS REVISION IN INTEREST RATES ON FCNR (B) DEPOSITS/ RFC DEPOSITS W.E.F. 01.12.2016

3. LOANS & ADVANCES

Importance of Credit

Fund based credit facilities: Involve the outflow of funds, i.e. direct money is going out, lending out to the customers like:- a) Cash Credit/ Overdraft; b) Term Loans/Working Capital; c) Bill Finance

Non fund based credit facilities: In this, the bank's funds are not directly lent to the customers:- a) Bank Guarantee, b) Letter of Credit, c) Acceptance Facility

Rule in Clayton's case: The Cash Credit/ Overdraft account is a running account. Whenever the customer withdraws money, the account being debited and whenever he remits to his account, the account being credited. Under the law, each item of debit is a separate loan and each credit as a repayment of the earliest debits. This aspect was enunciated in a case called the "Clayton's case". In that case, the Court held that the first sum of money paid into the account, is deemed to repay the first item recorded on the debit side of the account. In other words, "the first credit will go to wipe off the first debit".

Bank not to terminate OD facilities without notice: Once a bank grants an Overdraft facility, then there is a contract between the bank and the customer that it is not to be cancelled unilaterally.

Term Loan/ Demand Loan: Are granted to customers to meet the capital expenditure needs of the business. Term loans are granted in one lump sum and are allowed to be repaid over a period in installments as per the repayment schedule.

Demand loans are those which are repayable on demand through a repayment schedule as agreed upon by the Bank. Term loans are further classified into :- 1. Short term loans, 2. Medium term loans; 3. Long term loans. Short term loans — repayable within one year, Medium term loans — repayable within one to seven years, Long term loans — repayable above seven years. The limitation period for filing a suit in case of term loans is 3 years from the date of default of a particular installment. In the case of demand loan the time limit is 3 years from the date of default.

Bill Finance: Bill Financing is conducted through discounting of Bills of Exchange drawn by the borrower on the customers of borrower. Bill Financing is classified into 3 categories :- a) Bill discounting and bill purchase; b) Drawee bill acceptance, c) Bills Co-acceptance. In all these cases, Bank undertakes an obligation. The first two are fund based and the third is a non fund based facility.

Other Credit Facilities: Many banks are extending Housing loans, Car loans and other Consumer loans. These are called consumer credit which contributes significantly to increase the profit of banks.

SECURED AND UNSECURED LOANS

Secured Loans: These loans are given by a banker not merely based on his confidence on the borrower's future financial strength, but based on his net worth. The Banker accepts securities such as LIC bond, fixed deposit receipts, shares, mortgage of land and building etc.

Unsecured Loans: The loans which are given without any tangible security or assets but merely on the strength of the integrity or the "credit worthiness" of the borrower. In other words credit worthiness is the confidence of a Banker on the future solvency of a person. They are also called clean loans.

Why secured loans: The recovery of the loan is mostly depended on the economic success of the borrower. Success or failure of an economic activity depends on various macro and micro economic factors. The banker cannot predict success or failure of the activity. So the bank asks for further security in the form of charge on property of the borrower. This charge acts as a cushion to absorb the shocks of economic failure of the borrower, and the bank can sell the properties and recover the money.

Registration of firms: It is in the interest of the partners to get their partnership firm registered. For registration, the prescribed application along with all details such as name of firm, principal place of business, names and addresses of partners etc. to be sent to Registrar of firms remitting the prescribed fees.

The registration of firm is optional and not compulsory. So a mere non-registration would not affect in carrying on business. The Partnership Act contemplates the registration of firms, not the partnership deed. For making any alterations in the name of firm, shifting of place of business etc,

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for that also application in the prescribed format to be sent to the Registrar. The Registrar has power to make any rectification entry in the Register of firms in conformity with the documents relating to that firm already filed with him.

Effect of non-registration: Sec 69 of Indian Partnership Act, 1932 sets out the effect of non-registration.

Suits by Partners in between them selves: If the firm is not registered the partners can not file a suit against any other partner or against the firm in the event of any problem arises.

Suit by the firm against third parties: The firm cannot file a suit against any third parties to settle any claim or recovering any dues from third parties.

Filing of suit by third parties against the firm: Whether the firm is registered or not, third parties are not restricted from filing suit against the firm or any other partner(s). That is, even if the firm is not registered, third parties have no bar in filing suit against the firm. It is not the look out of third parties whether the firm is registered or not. But for the firm, if it wants to file a suit against the partners or against Third parties it is mandatory that the firm should be a registered one. In other words, it is in the interest of the firm or its partners to have the firm registered. This is the most important part to be reckoned with.

29.12.2016

To

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CANARA BANK

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SUBSCRIPTION RATE

Single Issue : Rs. 5/-

Annual Subscription : Rs. 60/-

Owned and Published by
Shri. G.V. Manimaran, from
216, Royapettah High Road,
Royapettah, Chennai - 600014
and printed by
Shri. H. Dhanasekaran, Sekar
Offset Printers, 168, Big Street,
Triplicane, Chennai - 600005.
Editor : **G.V. Manimaran**

Posted at Patrika Channel
Egmore, RMS, Chennai.

on the 29th of the every month

If undelivered please return to :

LIGHT CIRCLE

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Royapettah,
Chennai - 600 014.

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