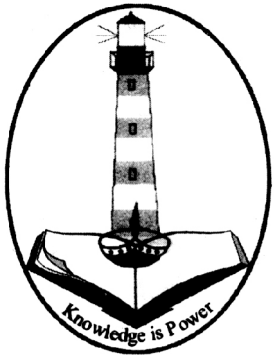


Rs.5/-



Light Circle

An Educational Newsletter
(English Monthly)

FACILITATOR

Sri. G.V. Manimaran

EDITORIALBOARD

Sri. B.Venkataiah

Sri. M.K.Anand

Sri. P.Shanmugam

Sri. M. Ashok Kumar

Sri. N. Pandian

Sri. K.S.Murali

Sri. M.Mohammed Riaz

Sri. V.V.Krishnan

Sri. S.Karthikeyan

Sri. C.Manikandan

Sri. P. Rajrakesh

Light : 15

OCTOBER 2016

Ray : 10

LIGHT CIRCLE : OCTOBER 2016

EDITORIAL

Dear Friends,

Easy to be thankful

It's easy and natural to complain when life is not meeting your expectations. What if it were just as easy, just as natural to be thankful and to see the good in whatever is going on?

In fact, it can be just as easy, and completely natural, to be thankful. All you have to do is make the choice.

Being thankful is really very easy. It's even easier when you understand and experience how powerful it can be.

Gratitude gives you a distinct advantage. And it is just as reasonable and just as accessible as any alternative.

Remind yourself how easy it can be to simply be thankful. Then take that easy route to real richness in life.

There is no good reason to deny yourself the power of gratitude. Make the easy choice to be thankful, and you'll easily be thankful you did.

— *Ralph Marston*

With Best Wishes.

EDITORIAL BOARD.

**GIST OF HO CIRCULARS ISSUED DURING
SEPTEMBER - 2016**

- 487/2016 Pradhan Mantri Awas Yojana (PMAY) – Claiming of Credit linked Interest Subsidy
- Claiming of Interest subsidy for the accounts sanctioned and disbursed up to 31/05/2016.
 - Claim format available in Cannet->Publication->Retail Lending.
 - Subsidy Claims submitted by branches/RAHs for eligible loans sanctioned & disbursed upto 31-05-2016 will not be entertained after 10.09.2016
- 488/2016 Modifications in Delegation of Powers in making Payment of Service - Charges to Approved Builders/Vehicle Dealers from Circle Office to Regional Office level under Housing Loan and Canara Vehicle Loans.
- Modified Delegation of Powers in making Payment of Service Charges to Approved Builders/Vehicle Dealers by debiting General Charges from Circle Office to Regional Office level.
 - RO Head to authorize payment of Service Charges.
 - Housing Loans: General Charges – GL Code 420085485 – Service Charges paid to Builders.
 - Canara Vehicle (4 Wheeler): General Charges – GL Code 420085490 - Service Charges paid to Auto Dealers.
- 489/2016 Atal Pension Yojana Scheme – Conducting “Be 50 % by 15th Sep 2016 APY Campaign” from 2nd to 15th September 2016.
- All branches of the Bank to observe “APY Accounts Mobilization Campaign” during the period from 2nd to 15th September 2016, for achieving 50% Effective Branches Status by mobilizing a minimum of 5 accounts per branch by 15th September 2016;
 - For considering the branch as an effective branch, it should have mobilized a minimum number of five new APY accounts during the current Financial Year of 2016-17;
 - All Circles should ensure that APY accounts mobilization is carried out and ensure that a minimum of 50% of their branches are effective branches as per the above scale by conducting campaigns
- 490/2016 APPROVED LIST OF TRANSPORT OPERATORS– ADDITIONS, RENEWALS & NONRENEWALS
- Additions, Renewals, Non-Renewals and changes recommended to the list of Approved Transport Operators during the months from May to June 2016
- 491/2016 Procedure for handling Devolvement of Bank Guarantee in FCC Module
- 492/2016 Micro Finance Institutions (MFIs) – New Product Codes for Agriculture Term Loan and OD/OCC
- 493/2016 RELEASE OF NEW ATM INTRANET WEB PACKAGE - New Intranet web-link <http://canatm/webatm/>
- 494/2016 IBA MEDICAL INSURANCE SCHEME : INCLUSION OF EMPLOYEES RETIRED DURING THE CURRENT POLICY EXPIRING ON 30.09.2016 UNDER RETIREES' POLICY
- 495/2016 Implementation of Pradhan Mantri Fasal Bima Yojana –Submission of declarations alongwith premium to insurance companies
- 496/2016 PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDING 30.09.2016 AND BALANCE SHEET AS AT 30.09.2016[1] All Certificate formats will be made available in CANNET_Down Load _Admin Software Group_ BSPL_BSPL0916 folder.[2] BASEL III – Return 4A, 4B and 4C to be submitted along with the Balance Sheet. MOC format is introduced for Basel returns.[3] Branch-In-Charge should

specifically review Interest Paid on Deposits, Interest Collected on Advances, Commission and General Charges and ensure that the Profit / Loss reported is correct.[4] Cost of Deposit & Yield on Advances Variation Report should be submitted by the Branch-In-Charge to ensure the correctness of the same.[5] Branch should ensure all provisions made for Income and Expenditure for the quarter ended 30.06.2016 are reversed before preparing the Balance Sheet.[6] Branches / Offices to make provision for all outstanding charges etc., for period ending 30.09.2016 and the same should be reversed on the first working day of October 2016.[7] Mock Balance Sheets to be verified for Returns total, Balance Sheet and Profit and Loss Account heads with the Trial Balance to ensure data correctness.[8] Branches should review Auto NPA statement and ensure that performing assets are not appearing in the report.[9] Memorandum of Changes (MOCs) given by the Auditors for interest/income reversal and classification of Assets for the Balance Sheet as at 30.06.2016 is to be given effect before preparation of Balance Sheet as at 30.09.2016.[10] Branches to furnish necessary details for the purpose of Segment Reporting as per the format provided in the system.[11] Branches to ensure that credit balance in written off accounts should be made NIL and to be closed before drawing the balance sheet.[12] The guidelines for preparation of Balance Sheet, Profit & Loss and Prudential Norms on Income Recognition, Asset Classification and Provisioning as per our Circular No. 140/2016 dated 17/03/2016, stands applicable for the balance sheet & Profit and loss account for the period ending 30.09.2016

- 497/2016 Agricultural Marketing Infrastructure (AMI) - Sanction of subsidy during 2016-17 - Sanction of subsidy for new projects of SC/ST and in NER under AMI sub-scheme of ISAM during 2016-17
- 498/2016 Gold Related Schemes – Sovereign Gold Bonds Scheme V Tranche.
- Sovereign Gold Bonds – Issue of Fifth Tranche conducted by RBI from 1st to 9th Sep 2016
 - To enter all applications mobilized, by 12-00 noon on 15th Sep 2016
- 499/2016 Interest Subvention Scheme for the WSHGs for the year 2016-17- Operational guidelines under Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM) - Aajeevika
- 100 more districts are added under Category I districts as per instructions of RBI/MoRD, Gol.
 - Total number of Category I districts in the country is now 250.
 - Our Bank is the Nodal Bank for administering the Interest Subvention Scheme for NRLM in identified Category I districts in the Country.
 - Weighted Average Interest Charged (WAIC) for the year 2015-16 is 11.15 % for our Bank.
 - Branches coming under identified 250 districts (Category I) have to submit interest subvention claims in respect of following heads:
 - Charging interest at 7% to WSHG loans & claiming subvention @ 4.15 % for the FY 2016-17
 - Claim for 3% additional interest subvention in case of prompt payee accounts.
 - Interest Subvention Scheme is not applicable for the outstanding loans under SGSY, where capital subsidy is already released.
 - Accounting procedure for interest subsidy debit from GL heads shall be issued shortly once MoRD, Gol permits opening of Web portal
- 500/2016 Implementation of Pradhan Mantri Fasal Bima Yojana(PMFBY)/restructured Weather Based Crop Insurance Scheme (WBCIS)/Coconut Palm Insurance Scheme (CPIS)/Unified Package Insurance Scheme (UPIS) during Rabi 2016-17 season premium to insurance companies.

- 501/2016 Administrative approval for implementation of centrally sponsored Scheme National Livestock Mission –EDEG Component during 2016-17
- 502/2016 Issue of EMV Chip Based Debit / Credit Cards – Reiteration of RBI Guidelines for strict compliance
- All Cards, both new / renewed card, issued to customers have to be EMV Chip based cards only, with immediate effect without any exception.
 - Branches to desist from issuing Magstripe / Non-EMV Cards.
 - All such Magstripe Cards to be destroyed duly adopting the extant guidelines
- 503/2016 Sukanya Samriddhi Account (SSA)– Government of India clarifications
- “Sukanya Samriddhi Account” is a Scheme introduced by the Government of India for the benefit of the girl children who have not attained the age of 10 years.
 - Ref : H.O Cir 273/2015 dated 30.05.2015, 303/2015 dated 16.06.2015, 295 2016 dated 18.05.2016.
- 504/2016 Credit Guarantee Trust for Micro and Small Enterprises- SAS Package Data Flow Submission of fresh applications in CGTMSE SAS Package will be routed only to Circles henceforth
- 505/2016 CREDIT LINKED CAPITAL SUBSIDY SCHEME (CLCSS) of Ministry of MSME – Furnishing of information individually online by MSEs into data bank before applying for CLCSS subsidy1. Furnishing of information by Micro, Small and Medium Enterprises (MSMEs) relating to their enterprises to the Government through www.msmedatabank.in.2. Nodal banks/agencies under CLCSS should ensure that all the MSEs furnish the information individually online into the databank before applying for CLCSS subsidy.3. Guidelines for filling MSME Data Bank
- 506/2016 IBA MEDICAL INSURANCE SCHEME : INCLUSION OF EMPLOYEES RETIRED DURING THE CURRENT POLICY EXPIRING ON 30.09.2016 UNDER RETIREES’ POLICY– EXTENSION OF DATE FOR SUBMISSION OF OPTION
- 507/2016 Zero balance accounts under Pradhan Mantri Jan Dhan Yojana (PMJDY)
- 508/2016 Maintenance of Bank Guarantees/Letters of credit in CBS Opening of bank guarantee/letter of credit in FCC package Zero tolerance for manual maintenance of BG/LC Error free data for correct computation of Risk Weighted Assets
- 509/2016 AMENDED TECHNOLOGY UPGRADATION FUND SCHEME (A-TUFS) FOR TEXTILE INDUSTRY – ADDITION / MODIFICATION TO LIST OF ELIGIBLE MACHINERY
- 510/2016 Income Tax Declaration Scheme 2016 –acceptance of deposits of taxes in cash by the authorized branches.
- Declaration of undisclosed income by paying income tax under Income Declaration Scheme, 2016 of Government of India
 - Acceptance of cash by the branches from the customers towards payment of tax, surcharge and penalty etc under the scheme.
 - Obtain challan ITNS-286, mandatorily contains PAN number.
- 511/2016 Appointment of Smt P V Bharathi as Executive Director
- 512/2016 Atal Pension Yojana Scheme – Conducting “APY-Mighty 10 Campaign” from 21st to 23rd Sep 2016 for ensuring 25% Active / Effective Branches.
- All branches of the Bank are required to observe “APY – Mighty 10 Campaign” from 21st to 23rd Sep 2016, for enhancing the number of Active / Effective Branches to 25 %, by mobilizing a minimum number of 10 APY accounts per branch;
 - Effective from 1st October 2016, for considering a branch as an effective branch, it should have mobilized a minimum number of ten new APY accounts during the current Financial Year of 2016-17;

	<ul style="list-style-type: none"> All Circles should ensure that APY accounts mobilization is carried out and ensure that a minimum of 25% of their branches are active/effective branches as per the above scale by conducting campaigns
513/2016	Implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY), restructured WBCIS, UPIS & CPIS from Kharif 2016 – Insurance Portal of Government of India
514/2016	<p>Monitoring & Test Checking of compliance of Regulatory, Internal Guidelines – Roles & Responsibilities of Branches, Regional Offices, Circle Offices - Reiteration</p> <ul style="list-style-type: none"> Compliance Function should monitor and test compliance by performing sufficient and representative compliance testing and the results of such compliance testing should be reported to the Senior Management. Implementation of Regulatory / Internal guidelines and compliance of the guidelines should not be in a routine manner but to be verified on a realistic basis and copies of the documents to be obtained in the applicable cases. Non-compliance of the guidelines would result in legal / regulatory sanctions, material / financial loss / loss of reputation. Compliance Officers of Regional Offices to conduct the test checking in the wake of organizational restructuring
515/2016	<p>SPECIAL DRIVE FOR FINANCIAL INCLUSION INITIATIVES FROM 15th SEPTEMBER'2016 TO 31st OCTOBER'2016.45 days' Special drive for six financial inclusion initiatives viz. PMJDY, PMJJBY, PMSBY,PMMY, SUI & APY.</p> <ul style="list-style-type: none"> Drive for intensifying the efforts for accelerating the momentum already achieved so that benefits as envisaged by the Government are realised. Track I & Track II strategies comprising of various activities to be conducted during special drive. Three events to be conducted by all banks branches in each district on dates decided by State Level Bankers' Committee / Lead Bank Office. Aadhar & Mobile seeding of bank accounts, Rupay cards activation, financial literacy, spreading awareness about and increasing enrolments under social benefit schemes, andholding support to customers for credit linkage, Grievances redressal and sensitization of BCs/Bank Mitra etc. to be given thrust during the drive/campaign.
516/2016	Incentive scheme for Aadhaar seeding in PMJDY accounts upto 30.11.2016
517/2016	<p>UNAVAILED LIMITS – INCORPORATION OF CLAUSE ON UNCONDITIONALLY CANCELLABLE CREDIT (UCC)</p> <ul style="list-style-type: none"> Updation of Unconditionally Cancellable Credit (UCC) clause in CBS Reduction of capital charge for unutilised limit Reduction in Risk Weighted Assets and optimum utilisation of capital funds
518/2016	Charter of Customer Rights Policy – Studies/ surveys to be carried out by Reserve Bank of India
519/2016	DELEGATION OF POWERS FOR INFORMATION TECHNOLOGY (IT) RELATED CAPITAL & REVENUE EXPENDITURE TO HEAD OFFICE/ CIRCLE OFFICE / REGIONAL OFFICE & FOREIGN BRANCHES
520/2016	<p>Debit/Credit Card – Fraudulent Transactions – Handling of Customer Complaints to Provide a Complaint reference document for Processing Debit / Credit Card Fraudulent Transactions</p> <ul style="list-style-type: none"> Claim form to be submitted after entering it in CCR Package Timely reporting in INCIDENT REPORTING Package and Fraud Reporting
521/2016	<p>Internal Ombudsman in Banks – Adherence to modified procedural instructions issued by RBI</p> <ul style="list-style-type: none"> The nomenclature of the Chief Customer service Officer has been changed as “ Internal Ombudsman (IO)”

	<ul style="list-style-type: none"> · Replies to complainants on receipt of IOs comments shall be addressed primarily by the bank mentioning explicitly that the · complaint has also been examined by IO. · IO shall not examine the complaints / references on aspects relating to Internal Administration, Human Resources etc. · IO cannot represent the banks in the legal cases arising out of complaints examined by them.
522/2016	1. Automatic transfer of balance outstanding in "Sundry Liabilities – Service Tax GL Code 209271050, GL Code 209271150, GL code 209271020, GL code 209271151, GL Code 209271052 and GL Code 209271153 as on 30/09/2016 to ETT Section, FM&S Wing, Head Office. 2. Important Service Tax matters to be complied with by all Branches/Offices
523/2016	<p>Payment of fall back wages, incentive remuneration and conveyance allowance to NNND Agents.</p> <ul style="list-style-type: none"> · Vide H.O. Circular No. 302/2016 dated 23.05.2016, Bank had implemented the Award dated 07.10.2013 in ID 116/2013 (Old No. 45/2003) of CGIT, Delhi. · Branches/Offices are advised to apply the termination clause prospectively from the date of this Circular and not with retrospective effect from 07.10.2013.
524/2016	Interest subvention for short term Crop production loans to farmers Extension of the Scheme for Financial Year 2016-17. SYNOPSIS Continuation of the Scheme during 2016-17 (for loans disbursed/to be disbursed to farmers from April 1 st, 2016 till March 31st, 2017
525/2016	Loan recovery policy – Corrigendum HO Circular 406/2016 dated 19.7.16 – Loan recovery policy
526/2016	<p>Pradhan Mantri Awas Yojana (PMAY) – Claiming of Credit linked Interest Subsidy</p> <ul style="list-style-type: none"> · Correct claiming of Interest subsidy for PMAY Loans. · Fresh claims to be made for loans disbursed from 01-06-2016 to 30-09-2016. · Claim format available in Cannaet->Publication->Retail Lending.
527/2016	<p>Prompt handling of Insurance related complaints / court notices</p> <ul style="list-style-type: none"> · The Insurance related complaints have to be resolved within a timeframe of 14 days from the date of receipt, as per regulations. · Branches have to provide their views / inputs on complaints to the partner Insurance Cos. wherever sought for and also in respect of complaints forwarded by branches to the Insurance Cos, to facilitate speedy resolution. · Bank has to assist the Customers in policy servicing and claim settlement process. · Any Insurance related court notices / summons served on our Bank / Branches has to be handled as per Bank's procedure and should not be forwarded to the Insurance co. as a matter of routine
528/2016	Operational Risk Management - New Incident Management Module
529/2016	e-payment of Direct Taxes
531/2016	e-payment of Central Excise and Service Tax.
532/2016	REVISION IN RATES OF INTEREST ON RUPEE LOANS AND ADVANCES UNDER MCLR - REVIEW OF PRICING FOR LOANS/ADVANCES IN MSME SECTOR W.E.F 01.10.2016. 1. REVISION IN RATE OF INTEREST ON LOANS/ADVANCES LINKED TO MCLR UNDER MSME SECTOR WITH EFFECT FROM 01.10.2016. 2. THERE IS NO CHANGE IN RATE OF INTEREST FOR LOANS/ADVANCES UPTO 2 LAKHS. 3. CHANGES IN ROI SHALL BE COMMUNICATED TO THE BORROWERS AS PER EXISTING GUIDELINES
533/2016	DETAILS OF LETTER OF UNDERTAKING (LOUs) IN RESPECT OF BUYERS' CREDIT TO BE CAPTURED IN FCOM PRODUCT

- 534/2016 Atal Pension Yojana Scheme – Conducting “DAY FOR ELDERLY” Campaign from 1st to 7th Oct 2016.
- All branches of the Bank are required to observe “Day for Elderly” Campaign from 1st to 7th Oct 2016, for promoting APY scheme and counseling younger generation to save for their future.
 - Branches to invite Senior Citizen customers for sharing their contributions to the country as well as the bank and to motivate/guide the younger generation to join the APY scheme.
 - Each branch should open a minimum number of 5 new APY accounts of eligible young customers during the Campaign period.
- 535/2016 CELEBRATION OF ‘OCTOBER 2016’ AS SC /ST MONTH -EXTENDING CREDIT FACILITIES TO SC/STs.
- All branches to organize credit campaign for persons belonging to SC/ST community.
 - Wide spread publicity to be given to the mass campaign programme.
 - Branches to identify and assist minimum 100 new SC/ST entrepreneurs during the month.

FOREX CIRCULARS

- FX/72/2016 REITERATION OF IMPORTANT OPERATIONAL GUIDELINES ON IMPORTS
REITERATION OF IMPORTANT OPERATIONAL GUIDELINES ON HANDLING OF- ADVANCE REMITTANCE TOWARDS IMPORTS,- IMPORT COLLECTION BILLS,- FOLLOW UP FOR SUBMISSION OF DOCUMENTARY EVIDENCE OF IMPORTS
- FX/73/2016 ISSUANCE OF FRESH REGISTRATION CUM MEMBERSHIP CERTIFICATE (RCMC) BY FEDERATION OF INDIAN EXPORT ORGANIZATIONS (FIEO) - SUSPENSION IMPOSED EARLIER STAND REVOKED, AS FEDERATION OF INDIAN EXPORT ORGANIZATIONS (FIEO) HAS ISSUED FRESH RCMC
- FX/74/2016 NRO ACCOUNT – JOINT HOLDING WITH RESIDENTS REVISED INSTRUCTIONS FOR OPENING OF NRO ACCOUNT JOINTLY WITH RESIDENTS
- FX/75/2016 REITERATION OF IMPORTANT GUIDELINES REGARDING VERIFICATION OF BILLS OF ENTRY/SHIPPING BILLS
BRANCHES SHALL EXERCISE DUE DILIGENCE WHILE VERIFYING BILLS OF ENTRY/SHIPPING BILLS TO ESTABLISH AUTHENTICITY OF THE SAME
- FX/76/2016 IMMEDIATE ADJUSTMENT OF PASS SHEET CREDITS
BRANCHES SHALL IMMEDIATELY ADJUST PASS SHEET CREDITS, AS ANY DELAY IN ADJUSTING PASS SHEET CREDITS MAY AFFECT INCOME OF THE BANK
- FX/77/2016 PROCEDURE TO BE FOLLOWED FOR SEEKING CLARIFICATION FROM CENTRAL OFFICE OF RBI
REITERATION OF PROCEDURAL GUIDELINES FOR SEEKING CLARIFICATION FROM CENTRAL OFFICE OF RBI
- FX/78/2016 EXIM BANK’S GOI SUPPORTED LINE OF CREDIT OF USD 87.00 MILLION TO THE GOVERNMENT OF THE REPUBLIC OF ZIMBABWE
EXPORT-IMPORT BANK OF INDIA (EXIM BANK) HAS ENTERED INTO AN AGREEMENT DATED OCTOBER 27, 2015 WITH THE GOVERNMENT OF THE REPUBLIC OF ZIMBABWE FOR MAKING AVAILABLE TO THE LATTER, A GOVERNMENT OF INDIA SUPPORTED LINE OF CREDIT (LOC) OF USD 87.00 MILLION (USD EIGHTY SEVEN MILLION) FOR FINANCING RENOVATION/UP-GRADATION OF BULAWAYO THERMAL POWER PLANT IN REPUBLIC OF ZIMBABWE.
- FX/79/2016 REVISION IN RATES OF INTEREST ON FCNR [B] & RFC DEPOSITS
REVISION IN INTEREST RATES ON FCNR (B) DEPOSITS/ RFC DEPOSITS W.E.F. 01.10.2016

Ancillary Business/Service Conditions & Other Related matters

1. Currency Notes

1. Detection of counterfeit notes: Detection of counterfeit notes should be at the back office / currency chest only_ Banknotes when tendered over the counters may be checked for arithmetical accuracy and other deficiencies like whether there are mutilated notes, and appropriate credit passed on to the account or value. in exchange given. In no case, the counterfeit notes should be returned to the tenderer or destroyed by the bank branches. Failure of the banks to impound counterfeit notes detected at their end will be construed as willful involvement of the bank concerned, in circulating counterfeit notes and penalty will be imposed by RBI.

2. Impounding of counterfeit notes: The notes identified as counterfeit should be kept separately with proper impounding stamp. Details of each impounded note should be recorded under authentication in a separate register.

3. Issue of Receipt to Tenderer: There will not be any requirement to issue acknowledgement to the tenderer. Notice to this effect should be displayed prominently at the offices / branches for the information of the public.

4. Detection of Counterfeit Notes - Reporting to Police and other bodies: Following procedure should be followed while reporting incidence of detection of counterfeit note to the Police:(i) For cases of detection of counterfeit notes upto '1 pieces, in a single transaction, a consolidated report should be sent by the Nodal Bank Officer to the police or the Nodal Police Station, along with the suspect counterfeit notes, at the end of the month; (ii) For cases of detection of counterfeit notes of 5 or more pieces, in a single transaction, the counterfeit notes should be forwarded by the Nodal Bank Officer to the local police authorities or the Nodal Police Station for investigation by filing FIR.

5. Examination of the Banknotes before Issuing over Counters, Feeding ATMs and Remitting to Issue Offices of the Reserve Bank: In all branches cash receipts in the denominations of Rs 100 and above are not put into re-circulation without the notes being machine processed for authenticity.

6. Compensation: The banks will be compensated by RBI to the extent of 25 % of the notional value of the counterfeit notes of Rs 100 denomination and above, detected and reported to RBI and Police authorities.

7. Preservation of Counterfeit Notes Received from Police Authorities: All Counterfeit Notes received back from the police authorities/courts may be preserved in the safe custody of the bank for a period of three years from the date of receipt from the police authorities. They may thereafter be sent to the concerned Issue Office of Reserve Bank of India.

1A Other types of notes/ currency chest

1. Soiled Notes: Notes which have become unusable due to constant use. The notes which are complete and only torn in two pieces are also treated as Soiled notes.

2. Mutilated Notes: Notes which are torn in more than two pieces or where part of the note is missing is called mutilated notes.

3. Star series notes: These notes are just like other bank notes and are issued by RBI for replacing wrongly printed notes. Presently, these notes are issued in the denomination of Rs 10, Rs 20, Rs 50 and Rs 100.

4. Currency Management: the responsibility of currency management be entrusted to a nodal official in each bank, who shall be a senior functionary at a level not less than that of a General Manager.

5. The cash kept in the current chest is the property of RBI and bank is an agent of RBI for the same. Minimum withdrawal or deposit in currency chest can be for Rs 1,00,000 and in multiples of Rs 50,000.

With effect from 1.4.07, the currency chest holding banks, would charge 'service charges' at the rate of Rs.2/- per note packet of 100 pieces on cash deposited by the non-chest bank branches.

2. Remittances /Cheque collection

1. As per RBI guidelines, DD is uniformly valid for 3 months w.e.f. 1.4.12.
2. Duplicate DD has to be issued to the purchaser within 14 days (fortnight) of the request subject to completion of formalities. In case of delay, banks should pay interest for the period of delay at rates applicable to term deposits of corresponding maturities.
3. Duplicate DD up to Rs 5000 to be issued without awaiting non-payment advice from the drawee branch.
4. Normally duplicate DD is issued at the request of purchaser. However, where the purchaser is a Govt, Deptt /PSU it may not be ready to execute indemnity in favour of the bank. Under such circumstances, the issuing bank, can issue duplicate, at the request of payee also. Even otherwise, as per NI Act, payee is entitled to receive duplicate of a negotiable instrument after submission of indemnity bond.
5. In case both original as well as duplicate DDs are presented for payment it should pay duplicate DO and return the original with the reason 'DD reported lost and duplicate since issued and paid'.
6. The payment of a demand draft can not be stopped
7. Demand draft or Pay order of Rs 50,000 & above should be issued to the debit of account and not against cash. Demand drafts of Rs. 20,000/- and above should be issued invariably with account payee crossing.
8. RBI has prescribed for following charges for Collection of Outstation cheques in saving bank accounts: (i) Up to Rs. 5,000; not exceeding Rs. 25 per instrument (ii) More than Rs 5000 up to Rs. 10,000; not exceeding Rs. 50 per instrument (iii) More than Rs. 10,000 to Rs. 1,00,000: not exceeding Rs. 100 per instrument; (iii) Rs. 1,00,001 and above: Bank discretion (iv) The above charges will be all inclusive. No additional charges such as courier charges, out of pocket expenses, etc., should be charged from the customers. For current account deposits, the bank has discretion for cheques of all amounts.

3. Safe Deposit Vault/ Lockers

1. Safe Deposit Vault is governed by provisions of Transfer of Property Act whereas Safe Custody is governed by provisions of Indian Contract Act.
2. Banks may at the time of allotment, obtain a Fixed Deposit which would cover 3 years rent and the charges for breaking open the locker in case of an eventuality.
3. Identification Code of the bank / branch should be embossed on all the locker keys with a view to facilitate Authorities in identifying the ownership of the locker keys.
4. If a locker is in joint names with operating instructions as either or survivor, and one of them reports loss of key, the operation of the locker should be allowed to both on joint basis.
5. Where the lockers have remained unoperated for more than three years for medium risk category or one year for a high 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 does not respond nor operate the locker, banks should -consider opening the lockers after due notice to him.
6. Branches should maintain a wait list for the purpose of allotment of lockers.
7. Banks are not required to 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.

4. Pension Payments

1. Pension Payment Order is the, basic document sanctioning pension to a retired employee.
2. Life certificate is obtained in November every year.
3. Pension for the month of March is credited in the month of April. Thus, in the month of April, pension is credited twice in the account of the pensioner.

4. Pension account is opened in the name of pensioner. It can be opened jointly with the spouse either as “either or survivor” or “former or survivor”.

5. Public Provident Fund Scheme,1968/Govt Business

1. PPF scheme is operated through SBI, selected bank branches of public and private sector banks, and post offices. HUF are not allowed to open this account.

2. Minimum contribution per financial year is Rs. 500 and maximum has been increased to Rs.150,000/-.

3. PPF Is opened for 15 years. The period can be extended for 5 years at a time at the request of the depositor. The extension is allowed for any number of times.

4. The interest rate is 8.7% p.a w.e.f. 11 April 2014 credited annually. For this purpose, minimum balance between 5th and last day of the month is considered. The interest income on PPP is not taxable. Commission rates for government Business including PPF and Senior Citizen Saving Scheme with effect from July 1,2012 will be as under: Receipts: Physical - Rs 50 per transaction; Electronic - Rs 12 per transaction; Pension payments: Rs 65 per transaction; Other payments: 5.5 paise per Rs 100 turnover.

6. Senior Citizen Savings Scheme,2004

1. The scheme was introduced in place of Varisith Nagrik Bima Yojna.

2. Minimum eligible age is 60 years and 55 years for retired persons whether in normal course or after seeking VRS. No minimum age limit for ex servicemen from military.

3. Account can be held singly or jointly with spouses only.

4. More than one account can also be opened in the same deposit office during a calendar month.

5. Investments can be in multiples of Rs 1,000 with maximum of Rs 15 Lacs.

6. The account is opened for 5 years and extendable by 3 years.

7. Loan against deposit is not allowed. Premature payment can be had after minimum holding of one year.

8. Rate of interest is 9.3%p.a.-Compounding of interest is not allowed.

9. The interest income is taxable and tax is deducted at source.

10. Nomination is allowed as per post office rules.

7. TAX DEDUCTED AT SOURCE

Provisions for deduction of tax at source are as per Sec 194 of Income Tax Act 1961. These apply in case of payment of interest (Sec 194A), payment to contractors (Sec 194C), payment of rent (Sec 194-I) & professional fee (Sec 194-3).

1. Interest on deposits with banks:

a) No tax is deducted at source on interest payable on saving bank deposits and recurring deposits. Interest on SO deposit up to Rs 10,000 is exempt from tax.

b) TDS on interest on deposits will be deducted only if the interest paid or payable credited or to be credited in a financial year exceeds Rs 10,000.

c) Rate of TDS : 10%; If **PAN** No not submitted then rate of TDS is 20%.

d) Interest paid on NRE, FCNR accounts is exempt from income tax.

e) Submission of Form No.15G/15H : If an individual wants that tax should not be deducted at source, he should give declaration on form 15G (15H if he is a senior citizen i.e. age 60 years or above). The declaration will remain valid only for one Assessment year. One copy of form 15G/15H is to be delivered by the branch/office to the Income Tax Office on or before the seventh day of the succeeding month.

f) In cases where the deductee who furnishes Form No. 15G or 15H but does not provide PAN, TDS will be deductible @ 20% w.e.f 01.04.2010.

2. Payment to Resident Contractors:

- a) TDS if amount of bill exceeds Rs.30,000/- in a single payment or Rs.75,000/- in the aggregate during the financial year.
- b) Rate of TDS: 1% if the payment is to an individual or a HUF and 2% for payment to others. TDS is not deductible if contractor is engaged in transport business if PAN is furnished.

3. Brokerage/Commission other than Insurance Commission

TDS if the amount credited or paid or likely to be credited or paid exceeds Rs.5,000/- in financial year (b) Rate of TDS: 10%

4. Rent:

- a) TDS if the amount of rent credited/paid during the financial year exceeds Rs.180000.
- b) Rate of TDS: (i) Rent of Plant or machinery or equipment: 2%; (ii) Rent of land, building furniture or fittings: 10%

5. Fees for professional or technical services or Royalty:

- a) Tax will be deducted at source if the payment in a Financial year is more than Rs 30,000.
- b) Rate of TDS: 10%^{Yo}

6. Interest Payments Made To Non-Residents in NRO accounts

- a) TDS on interest on deposits irrespective of type of account and amount of interest.
- b) Rates of TDS: (i) if the recipient is a non resident non corporate person: 30% plus education cess 2% and secondary and higher education cess 1% i.e. total TDS at the rate of 30.90%.

7. Time Limit For Depositing of TDS, Issuing TDS Cert. and Filing of Quarterly Return:

- a) Tax deducted should be deposited within one week from the last day of the month in which tax is deducted. For month of March, can be deposited upto 30th April.
- b) The statement of TDS should be sent on form 24 Q in the case of salaries, on form 26 Q in all other payments to residents and on form 270 for all payments to non residents.
- c) The statement of TDS should be sent within 15 days from the end of quarter i.e. 15th July, 15th October, 15th January. In the case of last quarter of financial year, the return can be sent by 15th May.
- d) The TDS certificate except in the case of salary should be issued in form No. 16A within 15 days from the due date of the quarterly statement. In the case of TDS on salary, the same should be issued on Form No, 16 and 12BA by 31st May immediately following the financial year in which the income was paid.

8. Consequence of failure to deduct and pay: Such person shall be deemed to be an assessee in default in respect of such tax and shall be liable to pay simple interest at the rate of 18% per annum on the amount of such tax. In addition, there can be penalty upto the amount of TDS and imprisonment of 3 months to 7 years.

SERVICE TAX

Not applicable in J&K.

Being indirect tax, administered by Central Board of Excise & Customs. Applicable on all services except 39 in negative list.

Applicable on all banking services except interest received on advances.

Rate of tax is 14.00% wef 01.06.2015 & **Now 14.50% wef Nov. 2015**

Tax to be paid on quarterly basis by individuals, proprietors, partnerships and on monthly basis by others.

To be deposited by 5th (6th in case of electronic payments) of the next month.

Compulsory electronic payment if tax amount is Rs.50 lac or more.

Return HY on Form ST 3 to be sent by 25th of the next month after close of HY.

VARIOUS PENALTIES IN TAX NON-COMPLIANCE

If "a person makes payment of FDR of Rs.20000 or above in cash: penalty equal to amount paid. No penalty of imprisonment. .

Penalty for non-deduction of TDS on interest on deposits, by a bank: Bank shall be assessee in default in respect of that amount, pay simple interest at 1.5% per month on the amount of that tax before furnishing quarterly statement of each quarter (Sec 200 IT Act); Imprisonment : 3 months to 7 years.

Delay in filing TDS return — Rs.200 per day

Non compliance of provision of PAN = Rs.10000

Wrong reporting in TDS statement: Rs 10,000 to Rs 100,000

Delay in deposit of service tax — Intt 13% pa + penalty @ 200 per day or 2% per month of tax liability, whichever higher. Maximum it could be up to amount of service tax.



31.10.2016

To
Sri/Smt
CANARA BANK
.....
.....
Pin Code
Dist.

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
a n d p r i n t e d b y
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

No. 216, Royapettah High Road,
Royapettah,
Chennai - 600 014.

Phone : 2811 31 51, 2811 24 54

E-mail : lightcircle2003@yahoo.co.in