



LIGHT CIRCLE - MARCH 2016

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

52/2016 "CANARA KISAN SAMPARK ABHIYAN" - Continuation of Farmers Mass contact Campaign for RABI Season 2015-16

- Extension of Campaign period from 1ST February 2016 to 31st March 2016.
- Contacting All the eligible Farmers in the Service Area by the Branches

53/2016 REVISION IN INTEREST RATES ON DOMESTIC & NRO TERM DEPOSITS W.E.F. 02.02.2016.

- Revision in interest rate on Domestic and NRO Term Deposits of Rs.1 crore and above w.e.f. 02.02.2016.
- Bank is not accepting Bulk term deposits under Non callable segment for maturities of 5 years and above.
- All other terms and conditions detailed in HO Circular 41/2016 dated 22.01.2016 shall continue.

54/2016 REVISION IN INTEREST RATES ON NRE TERM DEPOSITS W.E.F.02.02.2016.

- Interest rate on NRE term deposits revised w.e.f. 02.02.2016.
- All other terms and conditions detailed in HO Circular 485/2015 dt. 06.10.2015 to continue.

55/2016 FOREIGN ACCOUNTS TAX COMPLIANCE ACT (FATCA) & COMMON REPORTING STANDARD (CRS)

1. India signed FATCA Inter Governmental Agreement (IGA) with USA.
2. Bank's obligation of reporting tax information under FATCA/CRS.
3. Nomination of Nodal Officer/Compliance Officer cum Relationship Manager for FATCA/CRS compliance and reporting.
4. FATCA/CRS Rules.
5. Due Diligence.
6. High level committee for monitoring

56/2016 Introduction of additional four currencies in 'Canara Bank International Prepaid Travel Card'

- Four new currencies viz. Australian Dollar(AUD), Canadian Dollar(CAD), Singapore Dollar(SGD) and Arab Emirates Dirham(AED) have been introduced in the currency basket of 'Canara Bank International Prepaid Travel Card'

57/2016 Facility of issue of DDs free of charge in Savings Bank account

58/2016 Note Adjudication by Branches / Currency Chests – Reiteration of extant RBI guidelines - Need for compliance.

- Customer service to be extended with regard to Exchange of soiled and mutilated Notes by Bank branches to the customers and members of the public on all working days.

- All branches are authorised to adjudicate notes & display suitable notice.
 - Failure to extend the service will be treated as non compliance of Reserve Bank of India guidelines and attracts penalty.
- 59/2016 Withdrawal of bank notes issued prior to 2005 from circulation w.e.f 30-06-2016.
- Branches are instructed not to re-issue such notes across the counter with immediate effect.
 - Branches to sort such notes and remitted to Currency Chests.
 - Currency Chests to withdraw all notes issued prior to 2005 for onward transmission to Reserve Bank of India.
- 60/2016 CERSAI has reduced the charges applicable to addition, modification of security interest and online search for existing securities
- 61/2016 Cash withdrawal at Point of Sale (POS) for Debit Cards
- Cash withdrawal at Point Of Sale against Debit Cards enhanced from Rs 1000/- to Rs 2000/- per card per day in Tier III to VI centres.
 - Service charges for cash withdrawal facility at POS machines against Debit cards revised to 1% of the transaction amount + applicable service tax.
- 62/2016 Maintenance of Monthly Average Minimum Balance for Savings Bank Accounts and Levy of Penal Charges for non-maintenance of Monthly Average Mimimum Balance
1. Vide Circular No 178/2015, Bank had revised the Minimum Balance requirement for Savings Bank Accounts (Product Code : 101) from Monthly Minimum Balance to Monthly Average Minimum Balance
 2. Penal charges for non-maintenance of Monthly Average Minimum Balance were also revised
 3. Parameterisation of the requirements is done in the software
 4. The software has been implemented by DIT Wing, HO
 5. Accordingly, Bank has collected the Service Charges for Non-Maintenance of Monthly Average Minimum Balance (NMMAMB) for the period April 2015 - November 2015.
 6. BO reports 170208 & 170209 are made available for branches for viewing Monthly Average Minimum Balance maintained, penal charges + Service Tax and actual amount debited respectively.
 7. A New Tab 'BALANCE INFO' has been created in CH021 option in FCR, to view average balance maintained by the Customer during the previous month.
 8. Under Option CH021, a new tab named "AMB Details for Current Month" has been created to view average balance product details.
- 63/2016 Retail Loan Festival offer extended till 31/03/2016. Processing Charges on Housing Loans and Canara Vehicle Loans waived till 31/03/2016.
- 64/2016 Board approved Bancassurance Policy detailing the procedural and operational guidelines for soliciting and servicing of Insurance business

- As per IRDAI regulations and RBI directives, a Board approved policy & Frame work on Bancassurance business is devised and put in place.
 - The objective of this policy is to bring uniformity in solicitation and servicing of Insurance business across branches and comply with IRDAI / RBI regulations.
 - Branches / Offices / Specified Persons (IRDAI licensed employees) should strictly adhere to the Bancassurance Policy, the frame work and “Code of Conduct”.
 - Insurance related complaints and service requests have to be resolved / attended in a time bound manner
- 65/2016 Creation of new general charges (GC) codes for debiting commission paid to collateral managers and for debiting gold loan reappraisal charges.
- 66/2016 IBA MEDICAL INSURANCE SCHEME FOR RETIRED OFFICERS/ EMPLOYEES –
1. EXTENSION OF DATE FOR SUBMISSION OF OPTION
 2. WITHDRAWAL OPTION
- 67/2016 Credit Guarantee Trust Scheme for Micro & Small Enterprises-
- A. Marking of NPA in CGTMSE Portal.
 - B. Reporting date of upgradation from NPA and date of closure of accounts marked as NPA where preferring of CGTMSE claim is not contemplated
- 68/2016 Atal Pension Yojana Scheme – Conducting “ATAL CARNIVALS” on 10th & 11th February AND on 24th & 25th of February 2016.
- 69/2016 CHEQUE BOOK & CASH WITHDRAWAL FACILITY TO VISUALLY IMPAIRED PERSONS.
- 70/2016 National Automated Clearing House (NACH) – ECS (Electronic Clearing System) Debit functionality.
- 71/2016 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY) – Comprehensive guidelines on Claims handling
- The PMJJBY & PMSBY claims are to be handled with utmost priority and accuracy.
 - All PMJJBY & PMSBY Claims have to be mandatorily captured in 3S package and should be routed through the Nodal Section of the respective Circle Office. Branches should not send the claim papers to HO directly.
 - Branches / Circles to ensure that the name of the deceased person & Nominee should be same in Enrolment Form, 3S Package, Claim form, Discharge Receipt, Death Certificate, Pass book/Pass sheet and Aadhar Card.
 - Circles to send two sets of claim papers to Bancassurance Section (Originals to be submitted to the Insurance Co. + Copy to be maintained at HO)
- 72/2016 SAVINGS BANK PRODUCT “CANARA GALAXY (PRODUCT CODE 136)” IS NOW EXTENDED TO ALL BRANCHES

- 73/2016 OPENING OF ACCOUNT IN CBS-POST DOCUMENTATION- Opening of account in CBS on obtention of loan documents duly executed and complete in all respect.
- 74/2016 Waiver of Service charge for issuance of EMV CHIP Credit & Debit cards.
- 75/2016 INVENTORY ITEMS OUTSTANDING IN THE NAME OF TRANSFERRED/ RETIRED/RESIGNED EMPLOYEES.
- 76/2016 Branch Level Customer Service Committee Meeting -Need for strict compliance
- 77/2016 Modification in Bill of Exchange Discounting Facility to MSME Units at Concessional Rate of Interest – BE-MSME
- BE-SSI scheme has been renamed as BE-MSME
 - Medium Manufacturing segment is also eligible to be brought under the purview of the scheme.
- 78/2016 Canara Vidya Jyothi scheme – Extension of period upto 31.03.2016
- 79/2016 Amendment of Rules 114B, 114C &114D of Income tax Rules, 1962 regarding quoting of PAN for specified transactions– New GUIDELINES
- 80/2016 Visit to branches by M/s Bharti Airtel Ltd. for provisioning of alternate network connectivity
- 81/2016 Availability of flexibility in selecting EMI commencement date to match with Salary Date/Income Generation Date under

Retail Loans – Reiteration of guidelines

- One month repayment holiday for loans repayable by EMIs at the discretion of the sanctioning authority.
 - Branches/Offices can select EMI commencement date as per customer's choice by linking EMI date to his/her income generation/salary payment date.
 - To ensure that total repayment term does not exceed maximum period permitted under that particular scheme.
- 82/2016 PRADHAN MANTRI AWAS YOJANA (PMAY)– CLARIFICATIONS ON THE SCHEME GUIDELINES

NRIs also eligible under the scheme.

- Any change in income criterion by States/UTs with prior approval of MoHUPA.
- Condition that the house should be in the name of the female member of the household is applicable only for new purchases.
- The carpet area of house being constructed or enhanced should be upto 30 square meters and 60 square meters for EWS and LIG respectively. States can determine the areas of EWS &LIG houses as per their local needs with concurrence of MoHUPA.
- There is no upper cap on the Value (Cost) of property.
- Tenure of the loan can be more than 15 years, but the interest subvention will be applicable for tenure upto 15 years.
- The processing charge of Rs.1000/- is inclusive of all taxes/levies.

- If the loan is required to be disbursed in more than 4 installments, such cases can be decided based on discussion between CNA & Bank.
- The lender shall submit a consolidated utilization certificate on completion of the housing unit within one year period from the completion of construction or maximum of 36 months from the date of disbursement of the 1st installment of the loan amount.
- A certificate from Revenue officer will be a unique document and not a unique number.
- SLNAs will identify the competent authority for issuing NOCs in respective states under advice to MoHUPA.

83/2016 Canara Visa Debit Cards - 5% Cash Back Scheme to VISA Debit cardholders

- 5% Cash back offer for purchase transactions through our VISA Debit Cards during the period, 21.02.2016 to 27.02.2016 (both days inclusive).
- Eligibility:
- Only successful transactions made for purchases or utility bill payments (at POS/Internet) using Canara Bank VISA Debit cards are eligible for cash back.
- Cardholders shall do minimum three eligible transactions using our VISA Debit card during the offer period.
- Total value of all the transactions using our VISA Debit card during the above offer period shall be above Rs 5000/-.
- Eligible transactions of Rs 100/- and above only will be considered for reckoning eligibility condition & cash back offer.
- Cash back is limited to the first 10000 Canara Bank Visa Debit cardholders meeting the above eligibility criteria during the offer period.
- Maximum Cash back Amount is Rs.500/- per VISA Debit Card.
- Cash back amount will be credited to the primary CASA account linked to the eligible VISA Debit cardholders in the first week of March 2016
- No separate communication will be sent to the cardholders regarding credit of this cash back amount under the scheme.

84/2016 WALLET MAXIMISATION – CASA AUGMENTATION

85/2016 Release of Information Security Policy Version – 5.2

86/2016 INTRODUCTION OF NEW SCHEME WITH OUR REGULAR HOUSING LOAN SCHEME – “HOUSING –CUM-SOLAR LOAN”

A New Scheme- “HOUSING –CUM-SOLAR LOAN” introduced within our Regular Housing Loan Scheme

- The Scheme consists of Two Loan Components

Housing Loan Component

Solar Loan Component

- Loan to individuals for installation of Grid connected Rooftop Solar Photovoltaic (PV) Equipment with our Housing Loan.
- Loans can be sanctioned along with fresh Housing Loan.

- Loans can also be sanctioned independently with subsisting Housing Loan if the track record of the existing Housing Loan is good.
- Eligibility: Eligible borrowers under Housing Loan to Individuals who are having free rooftop to install the Solar Equipment.
- Quantum:
 - Housing Loan: As applicable to each Housing Loan variants.
- Solar Loan : Rs. 10.00 lacs OR 20% of Housing Loan eligible quantum (as applicable to each HL variants) OR 80% of the system cost as per proforma invoice/quotation (rate including the cost of accessories) whichever is lower.
- Maximum eligible loan under Solar Loan Component scheme is Rs. 10.00 lakhs only and classified as Priority.
- Margin : 20%
- Rate of Interest: As applicable to Housing Loan.
- Repayment: within a maximum period of 20 years or the repayment period stipulated for Housing Loan, whichever is earlier.
- Security: As applicable to Housing Loan besides the assets created out of this loan taken as security by way of hypothecation. Credit Linked to Subsidy/Central Financial Assistance is available under the scheme.

87/2016 HOUSING LOANS (ALL VARIANTS) - CHANGE IN POLICY GUIDELINES GOVERNING MARGIN REQUIREMENTS AND LTV RATIO.

88/2016 COLLECTION OF FUNDS / DONATIONS BY EMPLOYEES, THEIR SPOUSES/DEPENDENTS ETC., FROM CUSTOMERS AND OUTSIDERS

89/2016 'AMHI' Web based Application for Online sourcing & issuance of Health Insurance policies of Apollo Munich Health Insurance Co. Ltd.(AMHI) – Non-issuance of Certificate of Insurance to Customers

90/2016 Central Sector Scheme of Interest Subsidy on Education Loans of MoHRD, GoI – Guidelines for credit of Interest Subsidy to Education Loan account

91/2016 CHIEF CUSTOMER SERVICE OFFICER (INTERNAL OMBUDSMAN) OF THE BANK – ADHERENCE TO PROCEDURAL INSTRUCTIONS ISSUED BY RBI – REITERATION.

92/2016 INCENTIVE FOR IMPROVING SERVICE TO NON-CHEST BRANCHES UNDER LINKAGE SCHEME

93/2016 Legal Guardianship Certificate issued under Mental Health Act, 1987.

94/2016 Submission of Life Certificate by Ex-Employee Pensioners.

95/2016 Hotlisting of Debit Cards

Our Bank has provided the following channels to our Debit cardholders for hotlisting their Debit & Credit cards.

1. Through Branch
2. Through sending SMS
3. By calling Toll-free Number
4. Through Net Banking

- 96/2016 Functionality enabled for acceptance of Over The Counter (Off-line) Receipts of Tax and Non-Tax Revenue through Khajane-II Portal in electronic mode for the Government of Karnataka at all our Branches in the State of Karnataka
- 97/2016 Seeding of Aadhaar in Bank Account – Not Mandatory- Purely Voluntary
- 98/2016 Passing of Cheques issued by Central Government under Cheque Truncation System and discontinuation of the requirement for Paper to Follow (P2F)
- Passing of cheques issued by Central Government Department and Union Territories under Cheque Truncation System w.e.f 1st February 2016.
 - Discontinuation of the requirement for Paper to Follow (P2F) and returning back the paid instruments to department is done away with.
 - The paid cheques need to be preserved for 10 years. Cash withdrawal and Transfer cheques also need to be truncated and preserved for 10 years.
 - All Government Cheques to be examined under Ultra Violet Lamp by the presenting Bank.
 - Central Government Cheques drawn on RBI agency Banks shall be presented in the grid within whose jurisdiction the accredited/authorized branch of paying bank is located.
 - Caution should be exercised by the branches while returning back the cheques in case of need by marking as paid and by cancelling the signature.
 - Branches while acting both as presenting bank as well as paying bank to exercise utmost care and due diligence.
- 99/2016 Special scheme for settlement of NPA in educational loans with limits above 4.00 lacs up to limit of 7.50 lacs
- 100/2016 Credit Guarantee Scheme (CGS) of CGTMSE-- Introduction of new module for up gradation of NPA cases by MLIs
- 101/2016 Platinum Debit Card (VISA/ MasterCard/ RuPay) – Relaxation in the eligibility condition
- Eligibility condition for Platinum Debit card further relaxed.
 - Hotlisting charges (Rs 150/-) & replacement card charges (Rs 50/-) while upgrading the existing base variant Debit card to Platinum Debit card variant waived
- 102/2016 Non-Credit Assets & Liabilities (Accounts) Elimination Policy 2016-17 - version 4.00
- 103/2016 Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY) – “Cancellations of existing enrolments” as per Customer request enabled in 3S package Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) & Pradhan Mantri Suraksha Bima Yojana (PMSBY) – “Cancellations of existing enrolments” as per Customer request enabled in 3S package

FOREX CIRCULARS

- FX 3/2016 EXPORT OF GOODS AND SERVICES – PROJECT EXPORTS - REVISION IN MEMORANDUM OF INSTRUCTIONS ON PROJECT AND SERVICE EXPORTS (PEM) BY RBI
- FX 4/2016 COLLECTION OF ADDITIONAL COMMISSION WHILE CREDITING PROCEEDS OF FOREIGN CURRENCY NOTES/ ISSUING FOREIGN CURRENCY NOTES IN/FROM FOREIGN CURRENCY ACCOUNTS.
- FX 5/2016 VERIFICATION OF ELECTRONIC BILLS OF ENTRY - ALERT RECEIVED FROM OFFICE OF THE PRINCIPAL COMMISSIONER OF THE CUSTOMS, MAHARASHTRA REGARDING MODUS OPERANDI OF REMITTANCES OF FOREIGN EXCHANGE AGAINST FORGED/ FABRICATED PRIOR BILLS OF ENTRY.
- FX 6/2016 KNOWLEDGE TOOLS ON YOUR DESK TOP – FOREX MATTERS
- FX 7/2016 GUARANTEED OUR” SOLUTION IN EUR CLEARING OFFERED BY OUR EURO NOSTRO CORRESPONDENTS
- FX 8/2016 REVISION IN INTEREST RATES ON FCNR (B) DEPOSITS/RFC DEPOSITS W.E.F. 01.02.2016
- FX 9/2016 OPENING OF BRANCH AT DUBAI INTERNATIONAL FINANCIAL CENTRE (DIFC), DUBAI, UAE.
- FX 10/2016 FOREIGN DIRECT INVESTMENT – REPORTING UNDER FDI SCHEME, MANDATORY FILING OF FORM ARF, FCGPR, FCTRS ON e-BIZ PLATFORM AND DISCONTINUATION OF PHYSICAL FILING FROM FEBRUARY 8, 2016.
- FX 11/2016 SETTLEMENT OF EXPORT/IMPORT TRANSACTIONS IN CURRENCIES NOT HAVING A DIRECT EXCHANGE RATE
- FX 12/2016 FOREIGN EXCHANGE MANAGEMENT (ACQUISITION AND TRANSFER OF IMMOVABLE PROPERTY OUTSIDE INDIA) REGULATIONS, 2015
- FX 13/2016 FOREIGN EXCHANGE MANAGEMENT (FOREIGN CURRENCY ACCOUNTS BY A PERSON RESIDENT IN INDIA) REGULATIONS, 2015
- FX 14/2016 FOREIGN EXCHANGE MANAGEMENT (EXPORT AND IMPORT OF CURRENCY) REGULATIONS, 2015
- FX 15/2016 FOREIGN EXCHANGE MANAGEMENT (REALISATION, REPATRIATION AND SURRENDER OF FOREIGN EXCHANGE) REGULATIONS, 2015
- FX 16/2016 FOREIGN EXCHANGE MANAGEMENT (POSSESSION AND RETENTION OF FOREIGN CURRENCY) REGULATIONS, 2015
- FX 17/2016 DEFINITION OF “CURRENCY”, 2015
- FX 18/2016 POST OFFICE (POSTAL ORDERS/MONEY ORDERS), 2015
- FX 19/2016 OVERSEAS DIRECT INVESTMENT (ODI) BY RESIDENT INDIVIDUALS
- FX 20/2016 REGULATORY RELAXATIONS FOR START-UPS – CLARIFICATIONS RELATING TO ACCEPTANCE OF PAYMENTS.

1. BANKING LAWS INCLUDING NI, BR & RBI ACT AND PRACTICES NEGOTIABLE INSTRUMENTS ACT

Definitions

1. The Negotiable Instruments Act is applicable in whole of India including Jammu & Kashmir. The Act came into force w.e.f. Mar 01, 1882. Latest amendment was in Dec 2002. Total sections in NI Act are 147.
2. What is a Negotiable Instrument?: As per Section 13 of the N I Act, NI means and include promissory note (PN), bill of exchange (BoE) and cheque.
3. Negotiable Instruments as per NI Act: Promissory Note, Bill of Exchange, Cheque, DD
4. Negotiable Instruments as per Section 137 of Transfer of Property Act: Documents of title to goods such as Railway Receipt, Bill of Lading, Warehouse Receipt etc.
5. Negotiable Instruments as per practice and usage: Treasury Bills, Certificate of Deposit, Commercial Paper, Govt. Promissory Note.
6. Features of Negotiable Instrument: (i) it is freely transferable and (ii) the title of the transferee will be better than the transferor if the transferee took the instrument for value and in good faith under circumstances when he did not have suspicion about any defect in the title of the transferor. Such a transferee is called holder in due course and is defined in Section 9 of the Act.
7. Promissory Note: defined in Section 4 of N I Act. It is an instrument in writing (not being a bank note or a currency note) containing an unconditional undertaking signed by the maker, to pay a certain sum of money only to, or to the order of, a certain person, or the bearer of the instrument. There are two parties in a PN i.e. promisor and promisee or maker and payee. Currency notes and bank notes are not promissory notes as per sec 4.
8. Bill of Exchange: defined in Section 5 of NI Act. Bill of exchange is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of, a certain person or to the bearer of the instrument. In a Bill of Exchange, the person ordering for payment is called Drawer and the person directed to pay is called Drawee The beneficiary is called payee. If a Bill is lost, holder can obtain duplicate of the same as per section 45A of N I Act.
9. Cheque: defined in Sec 6 of NI Act. It is a bill of exchange but always payable on demand and drawee is always a banker. Thus, a cheque is similar to a Bill of Exchange. Further, any bill which is payable on demand and in which drawee is a banker will be called cheque. The definition includes cheques in electronic form and truncated cheques.
10. Demand & Usance PN or BOE: The promissory note or bill of exchange can be payable on demand or after some time. If no time is mentioned then the same will be treated as Demand promissory note or Demand Bill of Exchange. If these are payable after sometime called as Usance PN or BOE.
11. Bearer or Order: A negotiable instrument can be payable to bearer or order. If neither bearer nor order is written it is treated as payable to order. If both bearer or order are written it is treated as payable to bearer.
12. On demand bearer instruments: As per Section 31 of RBI Act, 1934, no person other than Central Government or Reserve Bank of India or any other person authorized in this behalf can issue bearer promissory notes and a demand bills of exchange payable to bearer.
13. Presumption of N I: As per Section 118 of N i Act, N I is presumed to be (i) made for consideration (ii) executed on the date appearing on the instrument and (iii) every holder is a holder-in due course.

14. Inchoate instrument: defined in section 20 of the NI Act. It is an instrument on which date, payee or amount is not mentioned. It can be completed by the Holder and the completion will not be treated as material alteration. An instrument without signatures is not treated as an instrument at all.
15. Ambiguous instrument: defined in Section 17 of N I Act. An instrument which can be treated as Bill of Exchange or Promissory Note is called as Ambiguous instrument. Holder can treat it PN or BOE as per his discretion.
16. Holder: defined in section 8 of the NI Act. Holder of a promissory note, bill of exchange or cheque means any person entitled in his own name to the possession, thereof and to receive the amount due thereon from parties thereto.
17. Holder in Due Course: defined in Section 9 pf the NI Act. Holder in due course is a person who became possessor of a NI for valuable consideration, in good faith, before becoming due, and without having any reason to believe that the person transferring the instrument was not entitled thereto.

Transfer of a Negotiable Instrument and Endorsement

1. Transfer of a Negotiable instrument : by assignment (under Transfer of Property Act) or by Negotiation (under Ni Act).
2. Negotiation of a Bearer instruments: A bearer instrument is negotiated by mere delivery and no endorsement is required.
3. Negotiation of an order instrument: An order instrument can be negotiated by endorsement followed by delivery. Legal heirs cannot complete the negotiation of a negotiable instrument with endorsement by the deceased merely by delivery.
4. Endorsement: Signing of an instrument on the back or face thereof or on a slip of paper annexed thereto for the purpose of negotiation is called endorsement (Section 15). The person who transfers the instrument is called endorser and the person to whom it is transferred is called endorsee. Endorsement can be done by drawer, holder, payee.
5. Blank Endorsement: In a blank endorsement the endorser just signs his name without indicating endorsee. can be converted into full by writing name of a person above signatures. The effect of an endorsement in blank is that it makes an instrument dawn originally payable to order to bearer instrument for the purpose of negotiation which can be further negotiated by mere delivery. -
6. Endorsement in Full: When, the endorser indicates the name of the endorsee it is called full endorsement.
7. Sans Recourse Endorsement: An endorsement in which endorser excludes his liability is termed 'sans recourse' or without recourse endorsement. In case of dishonour of instrument, the amount cannot be recovered from such endorser.
8. Facultative: An endorsement in which endorser waives the notice of dishonour is called Facultative endorsement. But this is not applicable to other parties to the instrument.
9. Restrictive endorsement: An endorsement which restricts further right of negotiation is called as restrictive endorsement. For example if it is written in the endorsement as "Pay to Hari for my use" it is restrictive endorsement.
10. Conditional Endorsement: When alongwith endorsement, condition is imposed by endorser. For example, pay to C on completion of studies. Paying bank not to ensure compliance of condition. Condition binds endorser and endorsee only.
11. Back to Back Endorsement: An endorsement in which the endorser himself becomes endorsee is called as back to back endorsement and in such.a case, the endorsee can recover the amount only from parties prior to his own endorsement.

MARCH 2016**LIGHT CIRCLE**

Postal Reg No : TN/CH/(C)/166/2015-2017

12. Negotiation Back: When the drawer of a cheque himself becomes endorsee, it is called "Negotiation Back" and this cheque is treated as satisfied.

13. Partial Endorsement: The endorsement can be made only for full amount but in case part payment has been received and a note to that effect is made on the instrument, then the same can be endorsed for the balance amount.

14. Forged Endorsement: When endorsement is made by a person other than Holder by forging signatures of Holder. Title does not pass to any person on the basis of such endorsement. A person getting instrument after such endorsement does not become holder.

15. Regular endorsement : Which appears to have been made by holder. Paying bank gets protection u/s 85(1) of N I Act only when endorsement is regular even though it may not be genuine.

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CANARA BANK

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