

From

The Commissioner & Secretary,
Institutional Finance & Credit Control Department,
Government of Haryana,
Chandigarh.

To

1. All Administrative Secretaries, all Heads of the Departments in Haryana & all Deputy Commissioners in Haryana.
2. Commissioners of Ambala Division, Hisar Division, Rohtak Division & Gurgaon Division.
3. All Managing Directors/Chief Administrators/ Chief Executive Officers of State Government Corporations/Companies/Boards/ Cooperative Institutions / Autonomous Bodies.
4. The Registrar,
Maharishi Dayanand University, Rohtak ; Kurukshetra University, Kurukshetra ;
C.C. Agricultural University, Hisar and Guru Jambheshwar University, Hisar.

Sub: Guidelines on investment of Deposits/Surplus Funds by State Government Departments/ Public Enterprises.

Sir,

In partial modification of the guidelines issued by the Government on 27th April, 1979, and after careful consideration of the matter of optimal management of surplus funds, the following guidelines on investment of deposits/surplus funds by various State Government Departments/Public Enterprises have been formulated. These guidelines, as enumerated in the succeeding paragraphs, have been **approved by the State Government** and shall be applicable to all State Government Departments/Public Enterprises.

2. Basic Principles :

i) Investments are to be made only in debt instruments with maximum safety. (For this purpose credit ratings by various institutions like CARE, CRISIL etc. can be considered). There shall be no element of speculation in such instruments.

ii) While making such investment, the availability of surplus funds must be carefully estimated taking into account the cash flow, working capital requirements etc. and the period of investment must be chosen accordingly.

iii) The investment decision must not be made at a level lower than that of the Administrative Secretary in the case of a Department and the Managing Director/Chief Administrator/Chief Executive Officer in the case of a Public Enterprise.

iv) For making investments in Banks / Financial Institutions proper transparent procedure be followed.

While making investment of deposits / surplus funds, the guiding principle can be the concerned Bank's / Financial Institution's involvement in financing various developmental programmes of the State Government.

3. Permissible Institutions/Instruments.

Keeping in view the above basic principles, investments must be made in any of the following instruments:-

- i) Debt instruments floated by Central/State Government.
- ii) Fixed deposit for an appropriate period with a Nationalised Bank. A list of eligible banks is enclosed as Annexure 'A'.
- iii) Fixed deposits for an appropriate period with a Commercial Bank in the private sector promoted by an established Government owned financial institution. A list of such eligible banks is enclosed as Annexure 'B'. Investment in other private banks is banned.
- iv) Certificates of Deposits (CDs) and other short term deposits with the Banks as mentioned in Annexure A & B.
- v) Debt instruments floated by Haryana State Industrial Development Corporation / Haryana Financial Corporation.
- vi) Cooperative Banks of Haryana
- vii) Regional Rural Banks operating in Haryana.
- viii) Any other instrument / institution specifically included in the list by the Department of Institutional Finance & Credit Control, Haryana.

4. General

- i) Investment of funds in any instrument other than those specified in para-3 above shall not be permissible.
- ii) In case the investment has already been made in any other bank or institution mentioned above, it may not be renewed after the expiry period. A list of such investments with details of entries may be sent to Director, Institutional Finance & Credit Control Department, Haryana.
- iii) Half yearly status of Investment Portfolio by each Department and Public Enterprise will be submitted to Director, Institutional Finance & Credit Control Department, Haryana by **10th April & 10th October** every year as per the proforma enclosed as Annexure 'C'.
- iv) In case of Public Sector Enterprises including Boards, Corporations, Cooperative Institutions and Autonomous bodies, this letter may be kept in the next meeting of the Board of Directors / Governors for consideration and adoption.

Yours faithfully,

Director, Institutional Finance & Credit Control,
for The Commissioner & Secretary, Institutional Finance
& Credit Control Department, Govt. of Haryana.

From

The Commissioner & Secretary ,
Institutional Finance & Credit Control Department ,
Government of Haryana,
Chandigarh.

To

1. All Administrative Secretaries, all Heads of the Departments in Haryana & all Deputy Commissioners in Haryana.
2. Commissioners of Ambala Division, Hisar Division, Rohtak Division & Gurgaon Division.
3. All Managing Directors/Chief Administrators/ Chief Executive Officers of State Government Corporations/Companies/Boards/ Cooperative Institutions / Autonomous Bodies.
4. The Registrar,
Maharshi Dayanand University, Rohtak ; Kurukshetra University, Kurukshetra;
C.C. Agricultural University, Hisar and Guru Jambheshwar University, Hisar.

Dated Chandigarh, the 29th October , 1997

Subject: Guidelines on investment of Deposits/Surplus Funds by State Government Departments / Public Enterprises.

Sir,

In partial modification of the guidelines issued by the Government on 10th June, 1997, and after careful consideration of the matter of optimal management of surplus funds, the Annexure -A and Annexure-B have been revised to include Indian Bank , IFCI , ICICI , IDBI and SIDBI . Para3(iii) regarding Permissible Institutions / Instruments will also include Fixed Deposits and other such instruments for an appropriate period floated by Banks / Institutions as mentioned in Annexue - B .

The other details of the guidelines ,as issued earlier , remain unchanged .

Half yearly status of Investment Portfolio is to be submitted by each Department and Public Enterprise to Director, Institutional Finance & Credit Control Department, Haryana by **10 th April & 10 th October** of every year as per the proforma enclosed as Annexure 'C'. Kindly ensure compliance .

Yours faithfully,

Director, Institutional Finance & Credit Control,
for The Commissioner & Secretary ,Institutional Finance
& Credit Control Department, Govt. of Haryana.

LIST OF PUBLIC SECTOR BANKS.

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. India Overseas Bank
12. Oriental Bank of Commerce
13. Punjab National Bank
14. Punjab & Sind Bank
15. Syndicate Bank
16. Union Bank of India
17. United Bank of India
18. United Commercial Bank
19. Vijaya Bank
20. State Bank of India
21. All the 7 Associates of the State Bank of India.

LIST OF PRIVATE SECTOR BANKS / FINANCIAL INSTITUTIONS

- i) ICICI Bank Ltd.
- ii) IDBI Bank Ltd .
- iii) HDFC Bank Ltd.
- iv) Small Industries Development Bank of India (SIDBI)
- v) Axis Bank (For Boards and Corporations only)