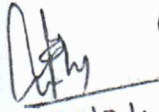


INVESTMENT POLICY
of
Guru Ghasidas Vishwavidyalaya
2019

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1. INTRODUCTION:

Scope: This investment policy aims to establish a framework for investment activities in Guru Ghasidas Vishwavidyalaya. This investment policy applies to the funds held by or for the benefit of Guru Ghasidas Vishwavidyalaya.

Objective: This Investment Policy provides the guiding principles for Guru Ghasidas Vishwavidyalaya to effectively supervise monitor and evaluate the investment of its financial assets to provide sustainable returns to fund, current and future financial objectives with commensurate risk and return. With recognition to this primary objective, the Vishwavidyalaya will make reasonable efforts to invest in scheduled Banks (preferably nationalised banks) in Chhattisgarh jurisdiction.

Types of Funds

The Vishwavidyalaya funds available for investment can be classified in two parts

- (i) **Operating Funds:** Operating funds available for investment generally include accumulated excess of the funds provided for the expenditure on the object as per sanctioned budget estimate of revenue over expenditures. Instead of parking such funds in the saving/current bank account, the option should be explored to invest such fund in instruments having higher rate of return to generate additional revenue. However, the liquidity and risk factor should also be considered while making investment as these funds provide a larger base from which to meet liquidity demands.
- (ii) **Endowment Funds:** These are gifts that have been donated to the Vishwavidyalaya or funds from other sources to support academic, research or capital programs. Some may be restricted to a specific

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purpose whereas others may be entirely unrestricted. These funds generally have a much longer investment horizon.

The guidelines for the investment of surplus funds will be followed the guidelines issued by Department of Public Enterprises and Ministry of Finance from time to time for investment of surplus fund of the University.

The office of the Finance Officer will look after the short term and long term investment plans of the University within the provisions of Investment Policy. This policy applies to the investment of short-term operating funds, longer term funds including endowments and trusts fund, if any.

2. PRINCIPLE OF INVESTMENT:

- i. Investment should be made only in instruments with maximum safety.
- ii. There should be no element of speculation on the yield obtaining from the investment.
- iii. The University could not invest their surplus fund in the call money market.
- iv. There should be a proper commercial appreciation before any investment decision of surplus funds is taken.
- v. The investment of fund for the period up to one year shall be treated as Short-Term Deposit for the purpose of treasury management.
- vi. The investment decision should be based on sound commercial judgment.

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- vii. The surplus fund availability shall be periodically worked-out based on cash flow estimate taken into account the working capital requirements, replacement of assets and other foreseeable demands.
- viii. Where the investment made in FDR, the final maturity of the investment should not exceed fifteen months. However, only in the case of endowment funds, term deposits with banks; it can be up to three years.
- ix. Investment register should be maintained in time to reflect the true and fair picture of the investment made during the concerned financial year.
- x. The physical verification of investments shall be carried out on yearly basis (during April month of next financial year).
- xi. The entry of investment should be taken in the prescribed Investment Register as soon as the cheque is drawn for making the investment with the approved bank & the receipt for the same to be obtained from the concerned bank without any delay immediately after making the deposit. The details of financial transactions also to be recorded in the Investment Register under the signature of the DDO/DR (F)/AR (F) without fail.
- xii. It is necessary to make periodic review of the balance in bank account to ensure that the surplus funds do not remain idle/ parked in the saving/current bank account.

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3. ELIGIBILITY CRITERIA FOR INVESTMENT:

- i. Term deposit with Nationalised Banks or Schedule Banks authorised by the Ministry of Finance/MHRD with a paid up capital of at least Rs. 100 Crore, fulfilling the capital adequacy norms as prescribed by the R.B.I from time to time. These adequacy norms should be reflected in the last published balance sheet.
- ii. Investment which have been rated by an established Credit Rating Agency and have been accorded the highest credit rating signifying highest safety e.g. certificate of deposits, deposit schemes of similar instruments issued by Nationalised Banks or Schedule Banks authorised by the Ministry of Finance/MHRD.
- iii. The surplus fund of GGV may be invested in term deposit schemes of Nationalised Banks or Schedule Banks authorised by the Ministry of Finance/MHRD.
- iv. For investment of surplus fund, the card rates from different scheduled banks may be taken and wherever we get best card rate of interest, the fund should be invested after due approval of the Competent Authority.
- v. The period of investment may be decided as per availability of fund requirement in future
- vi. If the surplus funds are available then investment can be considered from minimum period of 15 days up to maximum medium/ long term period only after the assessment of the requirements of funds in the near future by anticipating in low of funds on monthly/

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quarterly/ six monthly basis. Accordingly, the surplus funds available for investment should be considered either for short/ medium/ long term deposit in view of the above & till fund actually required for budgetary expenditure.

- vii. After determination of the period of investment, the card rate is invited as per point 3(iii) from nationalized or scheduled banks within the vicinity in Chhattisgarh for the investment for different period of investment as well as for different denomination of amounts.
- viii. After obtaining card rates from various banks, comparative statement of period & value wise interest rates offered by the various banks to be prepared and after approval of the competent authority, investment should be made.
- ix. The premature withdrawal of the fixed deposit i.e. withdrawal before the maturity date can be done only in urgent requirement of fund. Further for small funding requirements, it is advisable to prefer investment of surplus funds in suitable denominations of fixed deposit receipt than a single fixed deposit receipt.

4. INVESTMENT COMMITTEE:

There will be an Investment Committee for making review and giving recommendation for best way of Investment of the money to different category of the investment.

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This Committee will have four members. The Finance Officer will be the Convenor of the Committee and other three members will be nominated by the Vice-Chancellor.

Minimum three meetings of the Investment Committee are essential for a Financial Year.

5. CONTENTS OF INVESTMENT REGISTER:

The proforma of the Investment Register is given below for ready reference, in which all necessary entries to be recorded at the time of making Investment under the signature of DDO/DR (F)/AR (F):

REGISTER OF INVESTMENT

S.No	Name of the bank & branch	Date of Investment	Receipt No & date	Rate of interest/P.A. (%)	Due date maturity	Maturity amount (Rs.)
1	2	3	4	5	6	7

Face value (Rs.)	Interest amount (Rs.)	Maturity value and date Realization (Rs.)	Signature of DDO/DR(F)/AR (F)
8	9	10	11

6. MISCELLANEOUS

The operation of the above procedure/policy shall be in super cession of all existing rules & instructions of the University. In respect of areas, which are not covered in the above rules, the provisions contained in the GFR/ Government of India & University Grants Commission directives/guidelines shall be operative.

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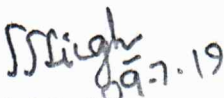
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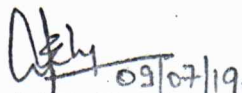
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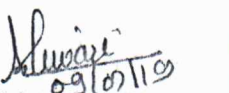
In case of any doubt on the interpretation of this policy, the matter shall be referred to the Vice Chancellor, GGV whose decision shall be final.


The policy may be reviewed at suitable intervals for further modifications, if needed.

The Finance Committee of the University may relax/ modify any of the provisions outlined in this policy.


Prof. S.S. Singh
Finance Officer
Convenor


Shri R.K. Choubey
OSD (Store)
Member


Shri Abhideep Tiwari
Asst. Registrar (Admin.)
Member


Shri Santosh Tripathi
Asst. Registrar (IAO)
Member
