



Sustainable Investment Policy of Central University of Punjab

Investment of Central University of Punjab ("University") Funds is a critical aspect of University Finance. Maintaining a balance between earning maximum interest and maintaining liquidity is most important for a smooth cycle of payments and meet unforeseen expenses.

Fixed Deposits with banks is reliable source of investment with assured returns. Therefore, investing funds in Fixed Deposits is helpful in sustainable and assured return on the surplus funds. University has made following policy to invest its funds in Fixed Deposits:-

1. Central University of Punjab invests its funds of fees, Internal resources in Fixed Deposit Receipts (FDRs). A Fixed Deposits (Investment) Committee has been constituted comprising an External Member.
2. To fetch best Rates of Interest for Fixed Deposit (Bank Card Rates), interest rates are called from All Scheduled Commercial Banks (Public and Private), which have Branches in Village Ghudda or Bathinda City. However, rates of only one Branch of any Bank are considered to avoid redundancy. The rates are called in sealed envelop.
3. University seeks rates valid for atleast 5 working days so that FDRs can be made smoothly.
4. It is preferred to invest 60% funds in Fixed Deposits with Public Sector Scheduled Commercial Banks, but final decision is taken as per the recommendations of the Fixed Deposit (Investment) Committee after the opening of offer of rates provided by banks in every cycle of investment.
5. If the Highest Rate Offering Bank is not able to make FDs (due to rate variation) the offer is awarded to second Highest rate offering Bank on the rates quoted by Second Highest rate quoting Bank.
6. University has to repay 10% of Principal Amount of HEFA loan instalments. FDRs accordingly are preferably made with the bank to be matured before due date of loan instalments for smooth payments.
7. University has various donated/endowment funds. Separate Bank Account is maintained for these endowment funds and FD is made with the concerned Bank to maintain these funds and utilize their interest for designated purposes.
8. Rest of the FDRs are of University Funds (IRG) and the amount in these FDRs may be utilized as per the requirements of University as per rules.