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19/3/18

No. 40/13/Empl/ARO/IFCC/2017/78 - 183

From

The Additional Chief Secretary to Govt. Haryana,  
Institutional Finance & Credit Control Department, Haryana,  
Room No. 52, 7<sup>th</sup> Floor,  
Haryana Civil Secretariat, Chandigarh.

To.

1. All the Administrative Secretary to Govt. Haryana.
2. All the Head of Departments.
3. All the Deputy Commissioners in the State of Haryana.
4. All Managing Director/ Chief Administrator/ Chief Executive Officer of Board/Corporations/ Cooperative Institutions in the State of Haryana.
5. The Registrar of all Universities in the State of Haryana.
6. Commissioners of Ambala Division, Hisar Division, Rohtak Division, Gurugram Division, Karnal Division and Faridabad Division.

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JDAI (Person)

RB

Dated, Chandigarh the 13<sup>th</sup> March, 2018

Subject:- New State Policy on interface with Bank.

Sir,

Kindly refer to the the subject cited above.

2 The Government of Haryana has revised the policy for dealing with the banks and is in the process of fresh empanelment of banks on the basis of revised parameters. A copy of the revised policy is enclosed herewith.

3. You are therefore, requested to adhere to the revised policy in letter & spirit and as per the revised policy consolidate all the existing banks accounts into one or two major accounts with the approval of Finance Department (IFCC) by 31<sup>st</sup> March, 2018 definitely. The name of the banks empanelled will be intimated in due course of time. Till then, banking with the existing empanelled banks be continued subject to the revised policy.

Yours faithfully,

Financial Advisor,

for Additional Chief Secretary to Govt. Haryana,  
Institutional Finance & Credit Control Department.

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**Subject: Revised Haryana State Policy for dealing with Banks.**

In supersession of the policy issued vide letter No. IF&CC/RO/Funds/2013/2657 dated 5.11.2013 a new revised policy for dealing with banks by various Organizations (i.e. Government Departments, Public Sector Enterprises, Boards, Corporations, Autonomous bodies or such other institutions or societies receiving funds from the State Government in any form) has been formulated keeping in view the changing scenario of banking sector, so as to obtain optimum benefit of the schemes, minimize cost and bring uniformity and transparency in dealing with financial institutions by the Organizations. Presently, importance is being given to reforms in Banking Sector, the schemes of financial inclusion and credit linked Government schemes for inclusive growth. Moreover, it has been observed over time, that the performance of some of the Public/Private Sector Banks in Government sponsored programmes and schemes have not been encouraging.

2. It is not out of place to mention that the Government of India has given licences to many new and small Banks in order to bring in competitiveness, business efficiency due to technological advancement and to meet the credit and remittance needs of small business, unorganised sector, low income households, farmers and migrant work force etc.

#### **Policy**

3. For transacting Government business, the following guidelines are put in place:-

**A. For placing of deposits and borrowing up to Rs. 10.00 crore for short term period up to 3 months.**

a. The organisations may invite quote from the respective empanelled Banks through mail. The quote should be given within 24 hours of the issuance of mail. It should be ensured that the quotations should not be called a day before any holiday.

b. The quotations received should be short-listed and the bank providing maximum rate of interest be selected for placing deposit or minimum rate of interest for borrowing/loan.

c. A decision will be taken by the competent authority in the Organisation within 2 days of the receipt of the quotation from the Bank.

d. The details of the deposits and borrowings placed will be sent immediately through mail at e-mail ID i.e. [ifec@hry.nic.in](mailto:ifec@hry.nic.in) with a hard copy of the same.

The total deposits placed and the borrowing made by different Organisations during a period of one month will be consolidated by FD in the Department of IFCC for the information of the Government by the 3<sup>rd</sup> day of the subsequent month indicating the name of the Bank and amount deposited/borrowed.

**B. For all cases not covered under A above.**

a. Any organization who wants to place deposit of any amount for a period of more than 3 months or more than Rs. 10 crore for 3 months or less will send the proposal to IFCC in Finance Department at least 10 working days in advance, so that a consolidated proposal can be prepared for all the organizations for placing their deposits with the Banks chosen in a manner stated at Point No. 3A (a to c) above so as to maximize and optimize returns on the same. The proposal be sent either on 1<sup>st</sup> or 15<sup>th</sup> day of every month.

b. As funds are usually borrowed from banks and financial institutions on State Government guarantee, a similar procedure for taking credit as in case of deposits would be followed, meaning thereby that the organizations in need of credit will send their proposal to Department of IFCC at least 15 days in advance so that cheap credit can be tapped from different sources and provided for in a time bound manner. The bank which offers minimal rate for extending borrowing/loan would be recommended to the Organization.

4. No Organization would open a bank account for any scheme what so ever without the approval from Department of Institutional Finance and Credit Control (IFCC).
5. All existing bank accounts opened need to be consolidated into one or two major accounts, for which approval of FD (in IFCC) is to be invariably taken.
6. a. The Government In Finance Department have Issued instructions vide letter No.28/14/2011-5B&C dated 14<sup>th</sup> May,2012, that no Government Department can draw money to keep it in the bank

account without it being actually utilized for the purpose for which it has been withdrawn.

b. In case any Organization withdraws money and the money remains idle or unless specifically permitted action will be initiated as stated in Point 7 below.

c. If due to any reason the amount drawn remains unutilized, then the Organization has to deposit the same along with the interest for the period for which it remained unutilized at the MCLR rate prevailing for the bank in which the deposit had been kept and for the period it remained idle.

d. Punjab Financial Rules in Chapter 2 at point 2.10(4)&(5) states that:-

2.10(4) "money actually paid is under no circumstances kept out of account a day longer than is absolutely necessary"

2.10(5) "no money is withdrawn from the treasury unless it required for immediate disbursement or has already been paid out of the permanent advance and that it is not permissible to draw advances from the treasury for the execution of works the completion of which is likely to take a considerable time".

e. Therefore In view of above, if the Government funds are transferred to Organizations other than the Government Departments from the State Budget, then the funds need to be utilized immediately. Unutilized funds, unless specifically permitted, will have to be deposited back with interest to be charged as provided in point number 6 (c) above.

7. In case any Government Departments/Organizations fails to deposit the amount within the stipulated time and it is subsequently known to have been kept idle in any bank account, penal interest at the rate of 2% for which the amount remained idle will be deducted in future releases to those Departments and Organizations by the Government (FD).
8. No Organization should withdraw funds to keep them idle in any Bank Account without specific approval of FD.
9. Prior approval of FD (In IFCC) for signing any MOU with any Financial Institutions/E-wallet Companies etc. will invariably be required to be taken, in the absence of which all cases of financial assistance to that Organization would be put to halt.

10. All the organizations will ensure that the payments and receipts are made through Digital Mode.
11. The performance of the Banks would be reviewed afresh and thereafter, every six months, on the basis of new parameters.
12. Banks, whose performance is not found to be satisfactory, would stand de-empanelled after review.
13. It would also be mandatory for the Banks to provide information within a specified period to the Department of Institutional Finance & Credit Control for review and in case of non-submission of data for two consequent periods, they would be de-empanelled, without any show-cause notice.
14. It needs to be ensured by the Banks that the data provided to the Department of IFCC is not at variance with that reported to SLBC for various Government Schemes.
15. Every empanelled Bank would also be required to nominate one senior level functionary as Nodal officer and provide the details thereof i.e. e-mail ID, telephone number etc. so that all communications can be sent to the Nodal Officer. In case of any change, it will be the sole responsibility of the Bank to inform the change. The Department of Institutional Finance & Credit Control will not be responsible, in any way, for non-receipt of any communication by the Bank for the above lapse.
16. NIC in consultation with FD(IFCC) will design a portal to enable the Organizations to furnish online information to the FD(IFCC) to facilitate monitoring of financial transactions/dealing on real time basis. The portal is likely to be operational by 1<sup>st</sup> April, 2018.
17. Every Organization will appoint a nodal officer for uploading the duly authenticated data on the portal. Any change in the nodal officer by Organization would be intimated immediately to the Department of IFCC.
18. This State Policy for dealing with the financial institutions/banks may be brought to the notice of all concerned for strict compliance.
19. This Policy will supercede all earlier policies issued by the Finance Department, from time to time in this regard.

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