

**No.DPE/18(1)/08-Fin
Government of India
Ministry of Heavy Industries & Public Enterprises
Department of Public Enterprises**

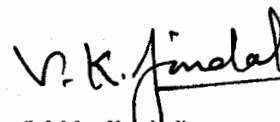
**Public Enterprises Bhavan
Block No. 14, CGO Complex
Lodhi Road, New Delhi-110003**

Dated: 13th August, 2012

OFFICE MEMORANDUM

Subject: Investment of Surplus Funds by Central Public Sector Enterprises (CPSEs)

The undersigned is directed to enclose herewith a copy of the Department of Financial Services DO NO.7/150/2008-BOA dated 18th July, 2012 on the above subject, and to request the administrative Ministries/Departments to advise CPSEs under their respective control accordingly.



**(V.K. Jindal)
Director**

Tel:24362770

Encl: As above

Secretaries of all administrative Ministries/Departments.

डी. के. मिट्टल

सचिव

D. K. MITTAL

Secretary



सत्यमेव जयते

भारत सरकार
वित्त मंत्रालय
वित्तीय सेवाएं विभाग
नई दिल्ली

Government of India
Ministry of Finance
Department of Financial Services
New Delhi

D.O.No. 7/150/2008-BOA

18th July, 2012

Dear Sir,

Please refer to Department of Public Enterprises' Office Memorandum No. DPE/11(47)/2006-Fin dated 11.04.2008 directing all the Ministries / Department and Chief Executives of Central Public Sector Enterprises (CPSEs) to place at least 60% of surplus funds under their control with Public Sector Banks (PSBs). The communication also directed CPSEs to discontinue the practice of inviting competitive bids for bulk deposits to avoid undesirable competition among banks leading to arbitrary hikes in deposit rates (even for short period). The Departments / Ministries have also been advised to place their bulk deposits with bank(s) with which they have regular course of business, including PSBs. A copy of the OM is enclosed for ready reference.

2 It has come to the notice of this Department that despite instructions on the subject some CPSEs are still inviting competitive bids for placing their bulk deposits with banks. Since this practice is against the above said instructions and leads to arbitrary hikes in deposit rates, you are requested to reiterate the guidelines issued by the Department of Public Enterprises referred to above for strict compliance. This Department has reiterated its instructions of December, 2008 on the subject to all the Scheduled Commercial Banks and Public Sector Financial Institutions and Public Sector Insurance Companies for strict compliance (copy enclosed). The Banks are also being directed to publish their card rates for bulk deposits of Rs. 1 crore and above. Further, in order to bring about a level playing field, banks have been requested to consider uniform card rates for bulk deposits for different maturity periods at least up to one year across banks.

I shall be grateful if Department of Public Enterprises could also reiterate these guidelines.

With Regards,

Yours sincerely,

Encl: as above.

Shri O.P. Rawat
Secretary
Department of Public Enterprises
CGO Complex, Lodhi Road
New Delhi

(D.K. Mittal)