

Law (Edw) (1926) Department.

Mis SERIES.

G.O. No. 1345
DATED 15/7/26

[Despatch Abstract.]

University - Madras - funds - amount not required for current expenditure
- approved banks - orders issued.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
1287	4236-37						

It is requested that all communications should be addressed to The Registrar, University of Madras, Senate House, Triplicane P.O., Madras, and not to any person by name.



UNIVERSITY OF MADRAS.

No. 4803

11 MAY 1926

SENATE HOUSE.

Enclosures.

FROM

THE REGISTRAR,

University of Madras.

To

The Secretary to Government,

Law (Education) Department, Madras.

Sir,

I have the honour, by direction of the Syndicate, to address the Government on the question of investment of University monies in Banks other than the Imperial Bank of India. The main sources of income to the University are (i) fees recovered from students, (ii) interests realized on the capital amount and (iii) Government Grants. The entire amount of income from items (i) and (ii) is not immediately required for current expenditure and ~~much~~ much of it has to be kept in Fixed Deposit for periods of three to six months and sometimes one year. At present the amounts are placed in Fixed Deposit with the Imperial Bank of India who have recently reduced their rates of interest from 4½ to 3½ per cent which is considerably below the rates of interest prevailing in other Banks.

In pursuance of the powers vested in it under Statute II(d) of the Madras University Act, 1923, the Syndicate is desirous of investing University monies in the following Banks also:-

- (i) The Madras Central Urban Bank
- (ii) The Indian Bank
- (iii) The Central Bank of India
- (iv) The Chartered Bank of India.

I am accordingly directed by the Syndicate to request

Schedule 2
to the Act

2

1656C
27/5/26

It is requested that all communications should be addressed to The Registrar, University of Madras, Senate House, Triplicane P.O., Madras, and not to any person by name.



UNIVERSITY OF MADRAS.

26 MAY 1926

No. 5206 SENATE HOUSE

Enclosures.

FROM



THE REGISTRAR,

University of Madras.

To

The Secretary to Government,
Law (Education) Department,
Fort St. George, Madras.

Sir,

I have the honour to invite your attention to my letter No.4803 dated the 11th instant on the question of investment of University monies in Banks other than the Imperial Bank of India, Madras, and to request that you will be so good as to favour me with a reply thereto at a very early date.

I have the honour to be,

Sir,

Your most obedient servant,

L. K. McLean

REGISTRAR.

the Government to furnish the University with a list of approved banks in which its money may be invested.

I have the honour to be,

Sir,

Your most obedient servant,



L. K. McLean

REGISTRAR.

Law (Ed) Dept

Endorsement 1467C-1 17.5.26

Referred to the Examiner of Local Funds Accounts for remarks.

Channarayana
Assistant Secretary to Govt.

14.5.26

Sent to the Examiner, L. E. Dept, for remarks

513

(A)

Law (adv) sept

C. 1656c

Endt $\frac{1656c-1}{762u}$

Forwarded to the
Examiner of Local Fund
Accounts in continuation
of Endt No 1467c-1 &
17.5.26.

The Examiner is requested
to expedite the submission
of his reply to the
reference quoted ~~above~~
above.
1.6.26. 1.6.26

$\frac{a}{3/6}$

1656c
762u



To

The Examiner of L.F.
Accts (adv of L.F.
Endt)

DESPATCHED with encl
8th JUN 1926

Received 192 Registered 192



L. Cu 17736
9/6/26.

ENCLOSURES.

No.

Spare copies

L.F. No. 2349

Station Fort St. George, Dated the 9th June 1926.

From (Name) J.M. Hooper Esquire,

(Designation) Examiner of Local Fund Accounts,

To The Secretary to the Government of Madras,
Law (Education) Department.

Sir.

In returning herewith letter No. 4803, dated 11th May 1926 from the Registrar, University of Madras, forwarded to me for remarks with your Endorsement No. 1467 C-1, dated 17th May 1926, I have the honour to state that this department is not in a position to advise on the suitability or otherwise of any bank for the purpose under consideration.

I have, however, in this connection to invite a reference to Government Order No. 2316, L & M., dated 25th November 1921, in which a list of banks approved of by Government was published in connection with the investment of Local Board and

Municipal

balances.

I have the honour to be,
Sir,
Your most obedient servant,

Examiner of Local Fund Accts.

P.M.B.

It is requested that all communications should be addressed to The Registrar, University of Madras, Senate House, Triplicane P.O., Madras, and not to any person by name.



UNIVERSITY OF MADRAS.

No. 7276

Enclosures.

FROM

THE REGISTRAR,

University of Madras.

To

The Secretary to Government,

Law (Education) Department, Madras.

Sir,

I have the honour to invite your attention to my letter No.4803 dated the 11th May 1926 and reminder thereon dated 26th May 1926, re the question of investment of University monies in Banks other than the Imperial Bank of India, Madras and to request you to favour me with an early reply thereto.

I have the honour to be,

Sir,

Your most obedient servant,

William McLellan
REGISTRAR.

Law (Education) Department

C.No.1467 C - From the Registrar, University of Madras, No.4803 dated 11-5-1926.

C.No.1773 C - From the Examiner of Local Fund Accounts L.F. 2349 dated 9-6-26.

Under Statute II (d) of the first Statutes of the Madras University, the Syndicate has the power "to invest any moneys belonging to the University including any unapplied income in any of the securities described in section 20 of the Indian Trusts Act, 1882, with the power to vary such investments or to place on fixed deposit in any bank approved in this behalf by the Local Government, any portion of such moneys not required for current expenditure."

The University is investing its income at present in the Imperial Bank of India, and wants it to discontinue investment therein, as the Bank has reduced its rate of interest from $4\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent.

The Registrar furnishes a list of banks in which the University desires to invest amounts not immediately required for current expenditure and wishes to have a list of approved banks. The Examiner, Local Fund Accounts, who was consulted says that he is not in a position to advise.
2. From G.O.No.2316 L & M dated 25-11-21
it is observed that the following banks have been approved by the Government for the investment of local and municipal funds not immediately required for expenditure:-

- (i) The Imperial Bank of India -
- (ii) The Madras Central Urban Bank (that is, the Provincial Cooperative Bank)
- (iii) Such central district cooperative banks as have received the general or special approval of the Registrar of Cooperative Societies.

Of the banks mentioned by the Registrar in paragraph 2 of his letter, only the Madras

Schedule I to
the Act (E)

P. 1 of

P. 3 of
(C)

M

Central Urban Bank is in the approved list given

above. The ~~Department of Local Self Government~~ may

be requested to U.O. to state whether the other

banks mentioned by the University Registrar may

be approved for the purpose of investment of

University funds and also to furnish a list of

any other banks which ~~be~~ consider/suitable for

the purpose.

16.6.26. 12.7.26

1876

VTK 19.6.

Fin U.O

Law (Ed) No. 1773 C-1 19.6.26

19.6.26

Int. Ct. No. 449 B- 21.6.26.

Finance Dept

In para 2 of its letter on pages 1-2 of the current file, the University of Madras states that it is desirous of investing university moneys in the following banks in addition to the Imperial Bank of India:--

- (1) The Madras Central Urban Bank
- (2) The Indian Bank,
- (3) The Central Bank of India,
- (4) The Chartered Bank of India.

The University also requests Government to furnish it with a list of approved Banks in which its moneys may be invested.

The Law (Education) Department asks this Department to state whether the Banks mentioned by the University may be approved for the purpose of investing University funds and also to furnish them with a list of any other Banks, in which its money may be invested.

2. In the case of local and municipal funds not immediately required for expenditure, they can be

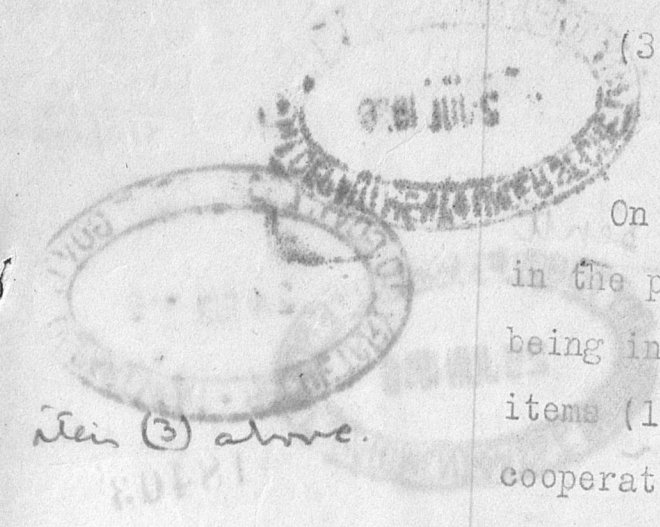
invested in--

- (1) The Imperial Bank of India,
- (2) The Madras Central Urban Bank, (that is, the Provincial Cooperative Bank.), or
- (3) Such central district cooperative banks as have received the general or special approval of the Registrar of Cooperative Societies.

On the above analogy, there is no objection in the present case to the funds of the University being invested in the Banks referred to in items (1) and (2) above. As regards other cooperative banks who have received the general or special approval of the Registrar of Cooperative Societies, no information is available in this Department in the matter. The Law (Education) Department may be requested to obtain a list from the Development Department.

3. It will be observed that the University proposes to invest its funds not only in the Imperial Bank and the Central Urban Bank or other Cooperative banks, but also in private banks such as the Indian Bank and the Central Bank of India. The question whether the local bodies and the Madras Corporation should be permitted to invest their funds in private banks was separately raised and is under consideration in the L.S.G. Department. As the principles underlying the decision in the above case may also have to be applied to the University also, it is suggested that the principles considered with regard to the University, the Law (Education) Department may be requested to consult the L.S.G. Department as to the final decision arrived at on the question.

No. 2316 LTM 25-11-21



Item (3) above.

A

para 2, H-1-2 C.F.

Law (Ed) No. 1773 C-1

It is understood from L.S.G. that final order have not yet been issued on the question.

Int. Ct. No. 449 C-1 23.6.26

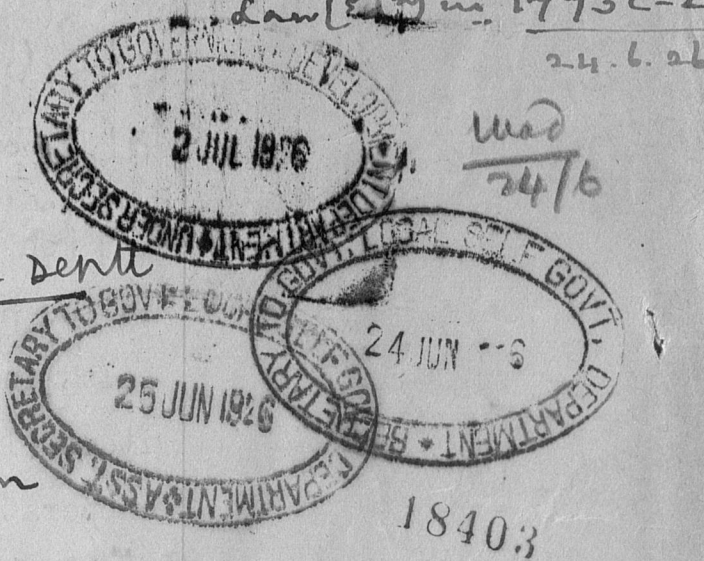
22.6.26

Law

23/6/26

Will L.S.G kindly state the position in regard to A on p.3 ref?

VTK
23.6
L.S.G u.o.



L.S.G. Dept

The file on the general question referred to at A on page 3 ante was circulated to M1 on 10-3-1926. M1's orders are awaited. M1 was reminded about the file on 18-6-26. This may be returned to Law (Edn) u.o.

Law (Com) u.o.

X removed by Leg

L.S.G. no 1840-3-1
28/6/26.
L. En 2001C
29/6/26.



The question whether or not private banks should be approved may be well left a decision is arrived at on the question under consideration in the L.S.G. dept. Meanwhile orders may issue as to the Madras Central Urban Bank & other Co-operative banks. The file may be sent to the Development Dept. for furnishing the information

Edn. no 1772C-3

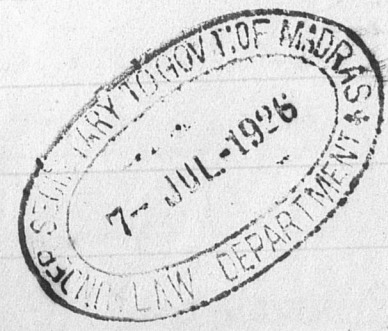
Dev Dept.

To Asst Secy.

Please see K at p.4 supra. Law (Edn) want information as to the district central cooperative banks approved generally or specially by the Regr. of C.S. for investment of local and municipal funds. It is subd. that no such list is maintained either in the Secretariat or in the Regr's office. If any private body desires to invest its money in a cooperative bank it has only to address the Registrar of Coop. Soc. who will advise whether the bank is in a solvent condition and whether the funds of the private institution can be safely invested in it.

* Surely the Regr's Office should know in what municipal banks local municipal funds are deposited
PR
67.

The case may be referred to Law (Edn). It is sufficient if the universities are permitted to place on deposit, its funds in the Madras central urban bank which is the Provincial Bank. It is unnecessary for the universities to go out seeking municipal banks for investment of its money.



Dev. n. d. 2005-11-26
2.7.26.

S/RE
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ma
7.7.26

Law (Gen) Dept

As stated by the Development Dept, it is unnecessary for the University to invest its funds in mufassal banks.

2 The Imperial Bank ^{of India} and the Madras Central Urban Bank may now be approved, and orders regarding the other banks may be issued after a decision is arrived at on the general question under consideration in the L.S.D. Dept.

The number of banks ^{mentioned} by the Registrar seems sufficiently large and it would seem unnecessary to consider whether any other banks are suitable for ^{the} investment of university funds.

~~In any case~~

If, however, the question should be considered, the L.S.D. Dept may perhaps be requested to state whether it has any information on the point in the file under consideration in

that Dept. This may be done after the order proposed above is issued.

3 A draft order is submitted. It may be sent to

1 Finance no for perusal.

8.7.26.

8.7.26

9.7.26

9.7

Fin U.O.

2001C/19874



Fin. no. 19874 accd. 12.7.26

A. du 2195C 12/7/26

Law

10 Finance (Acct)

May be perused and returned to Law (Gen) no.

10.7.26

11.7.26

11.7.26

Law (Gen) Dept

The draft order may be issued.

13.7.26 13.7.26

13/7 VTK 13.7

M 2



University-

Made as — funds — amount

not required for current
expenditure - approved banks -
orders issued.

READ ALSO:—

C. No. 14672 From the Rejistan, University^I No. 4803, dated 11-5-1926.

of Madras 16
Examine of F. Account L.F. 2349 & 9. 6- 1926.

” ” ” ” ” ” 182

ORDER.

No. 1345 dated 15. 7. 1926

Miss

Page 15 flag (E)

V. U. ~~is~~ ^{is} ~~today~~ ^{today}
M. ~~is~~ ^{is} ~~today~~ ^{today}
15/7

Under Statute II (d) in
Schedule I appended to the
Madras University Act, 1923,
(VII of 1923), the local
Government are pleased
to approve the following
banks as suitable for the
purpose of placing on fixed
deposit such portion of the
University funds described
in the Statute, as is not
required for current expenditure.

1) The Imperial Bank of India.

213

2) The Madras Central
Urban Bank.

2 Orders regarding ~~the~~
the ~~private~~ banks suitable
for the investment of university
funds will be issued
separately.

8/7.26. 8/7.26
9.7.26

V.K.
9.7

To
DESPATCHED
15 JUL 1926

The Registrar, University
of Madras
" A.G. (24.7.26)
" Finance Dept. (9/10)
" D.P.I. (24.7.26)
" Examiner of Local
Fund Accounts (9/10)

When given for copying
When copied
When examined
When signed

192

READ AGAIN G.O. No. 192 DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOT FILED OF, BEING MEANT FOR DESPATCH
IN ORIGINAL.

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