

EDUCATION (157) DRPA AT MARUT

Ms. SPARIRI.

(1)

(2)

S. Ms.

G.O. Ms. 1095

Page 130

~~G.O.~~ No — 1095.

DATED — 5. 4. 1950

Col

By
Rudolf

Sub

University - Annamalai Construction of.
quarters for the teaching Staff granted
negative



ANNAMALAI UNIVERSITY

Rec No. 17291/51

26th December, 1939.

From

THE REGISTRAR,
ANNAMALAI UNIVERSITY,
ANNAMALAINAGAR.

To

The Secretary to the Government of Madras,
Education and Public Health Department,
Fort St. George,
Madras.

Sir,

Sub: University - Annamalai University - Construction of
Residential quarters for Teaching Staff etc. -- Grant.

Ref: My letters d. 11-5-1948, 10-8-1948 and 13-9-1948.

I am to invite your attention to my letters cited above and,
request the favour of your reconsidering the orders communicated in your

Letter M.S.No.5 Education, d. 3-1-1949.

1 I have to repeat that the University, because it is of a residential type, has got to accommodate all the members of the staff within the University area. Several of them are, for want of accommodation, undergoing difficulties and a few of them have actually left and two in the Engineering and Technology sections, are leaving in the course of this month for this reason. Chidambaram is not a town where good houses are available for letting. It is hardly necessary to say how it would be more conducive to the corporate life of the University if all the members of the staff were to live with the students. 12.55 lakhs is a modest estimate of the requirements for all the members of the University staff with residential accommodation here.

2 It may be pointed out that prices of materials have now gone up many times over the pre-war level. A Lecturers' block consisting of 2 houses, costs us now Rs.25,000/- against Rs.9,000/- in 1938. But in spite of the enormous increase in cost, the rate of recovery of rent remains stationary, i.e. at 10% of pay. The rent so recovered is barely sufficient to cover the maintenance charges of the quarters, not to speak of the interest on capital invested and land value. It is also not possible to raise the rate of rent on this account.

3 It is stated in the letter M.S.No.5 Edn. d. 3-1-49, that it would be possible for the University to make diversions from the

645 Edn

1/3/50

2.5 Edn

3/1/49

Dr. 3671093/48-3 Edn

10/1/48

Q.O (M) 521 Edn

3-3-51

2/ Permanent Endowment Fund to meet the capital for the construction of staff quarters. I beg to point out that under Section 41(i) of the Annamalai University Act, such funds cannot be diverted for such purposes. They have to be kept invested in Government Securities and only the interest accruing from such investments can be taken over to the General Funds and spent for purposes of the University. If a portion of it is diverted and spent on putting up quarters, there will be a fall in interest receipts which is a chief source of revenue to the University. The rent realised from the quarters built out of the capital, for the reasons stated above, will not give a return of even half of 3% which the Government Securities offer. As Government are aware, owing to the conversion policy of Government, the interest receipts of the University have already fallen from Rs.2.79 lakhs to Rs.2.43 lakhs. Any further depletion of the interest revenue will upset the budgetary position of the University.

5 The housing problem has become acute since the starting of the Engineering and Technology College at the instance of the Government five years ago. While at that time Government started two Engineering Colleges at its own cost for the Andhra and Madras Universities respectively, in view of this University being non-affiliating, the Government then asked the University if it would undertake starting an Engineering College under its own auspices in order to meet the growing demand for Engineers. The University readily came to the help of the Government and it is incumbent therefore for the Government to take upon themselves the greater part of the responsibility of running this institution as they do the two Colleges of the Andhra and Madras Universities respectively.

6 I hope that the Government will kindly remember this aspect and consider the request of this University favourably and be pleased to sanction a grant of Rs.12.5 lakhs spread over three or four years or at least half grant and half interest-free loan repayable in 20 annual instalments.

Yours faithfully,

K. V. 26-12.
K. V. 26-12.
Registrar.

The papers on the subject have been published and the file this may be over for 13/1/50 the papers are available.
27/12/49

3/ Dr. Ms. 1095 Edw df- 5-4-50
Edw (F)
To
The Registrar,
Annamalai University,
Annamalainagar.
Sir,
Sub:- University - Annamalai -
Construction of quarters for the
teaching staff - Grant and loan.
Ref:- your letter No. 17291/B1
df- 26.12.49
I am directed to state that the Govt. are unable to sanction a grant or loan to the Annamalai University for the construction of residential quarters for the teaching staff of the University.
yours ffly,

3. Share
Copies
RS 1741.50
1.450
14-50

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5-11-2-12 MB 21 01 2M 20

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L.H. (F2)

UNIVERSITY - Annamalai - Construction of quarters for the teaching staff - Grant for.

C.No.100835/49. PPI-2 of From the Registrar, Annamalai University, Hoc.No. 17291/B1 dated 26.12.49.

PPI-3 of Lr. 36710/48-3
10/7/48
(A)

PPI-8 of (A)

PPI-2 of Lr. 11455
3/11/48
(L)

P9 of PPI-2 of

P57 of the Annamalai
university calendar,
1948.

P2 of

In May 1948, the Annamalai University applied to Govt. for a grant or a loan for the construction of residential quarters for the teaching staff within the campus of the University, at an estimated cost of - Rs. 12.55 lakhs. The Govt. declined to make a grant for the purpose - vide Lr. 36710-G3/48-3 Edn., dated 20.7.48. In August of the same year, the University renewed the same request for reconsideration. The question was then considered at length and the University was informed that the Govt. saw no reason to reconsider their previous orders and also pointed out to the Registrar of the University that on an examination of the audited accounts of the University for the year 1946-47 it was observed that its financial position was not unsatisfactory, and that it was possible for it to transfer from the General Fund, sums of Rs. 3.35 lakhs and Rs. 2.15 lakhs to the Permanent Endowment Fund and Building Fund respectively, and that therefore it should be possible for the University to make diversions from the Permanent Fund towards the scheme in question. The Registrar has again renewed his application. He states that under Section 41(1) of the Annamalai University Act, the diversion referred to above is not possible as these amounts have to be invested in Govt. securities and that only the interest accruing therefrom should be credited to the General Fund, and spent for such purposes. He points out that if such a diversion is made, there will be severe fall in the interest receipts of the University which form the chief source of income to the University, and that it will upset the budgetary position of the University. He states that the problem of accommodation has become still further acute on account of the

Engineering and Technology Colleges which were started by the University at the instance of Govt. He therefore requests the Govt. to sanction a grant of Rs. 12.5 lakhs—
spread over three or four years—for the construction of staff quarters, or a half-grant of Rs. 6.25 lakhs with an interest-free loan to cover the remaining half of the expenditure, payable in 20 annual instalments.

3. Regarding the question of diversion of funds for the purpose, it may be pointed out that the Syndicate ^{funds} ~~which~~ has got full control of the financial position of the University with the ^{concurrence} ~~approval~~ of the Senate of the University ~~can~~ make such diversions for these purposes. Please see in this connection this Department note on p.p.5--7 n.f. of Er.Ms.No.5 Edn., dated 3-1-1949, ^{and} the Secretary's observations in the margin on p.7 n.f. thereof. As regards the financial position of the University, ^{it is} seen from the audited accounts for the year 1947-48, ~~that~~ the interest from Permanent Endowment was ~~Rs.2,42,622/15/-~~. The University has also transferred a large amount - Rs. 5,20,500/- to ~~other constituted~~ various constituted funds, such as Permanent Endowment Fund, Building Fund, Annual Repairs Fund, Eratuity Fund, Electricity Depreciation Fund and Reserve Fund which includes a surplus of Rs.4,00,000/-.

With these large ^{funds} ~~amounts of surplus~~, the Annamalai University should be able to finance this scheme, without ^{financial} ~~any~~ aid from Govt.

Besides, it may ~~also~~ be mentioned that the request of the Andhra University for a grant for a similar purpose was turned down in 1947. If a grant is to be made to the Annamalai University ~~then~~ for its scheme relating to the provision of quarters for the teaching staff, the Andhra University's claim for ~~such~~ a similar grant will become irresistible, ~~and this will be an inconvenient precedent.~~ There appears to be therefore no case for a grant for this scheme.

4. The ~~request~~ request of the University for a ^{loan} ~~grant~~ was also considered and negatived. Attention is in this connection solicited to the notes on p.2 n.f. of Lr.36710-G2/48-3Edn., d./-10.7.48, ^{and} the orders in circulation thereon at p.3 n.f. of the same letter, ^{and} the further notes of this Deptt. on p.3 n.f., of Lr.Ms.5 Edn., dated

Sec 22a of the Annamalai Univ Act - P47 of the Calendar, 1948
Sec 16(2) (3) of the Act - P 43 of the Book

P 78 of Annual Budget 1947-48 in 1948-49
P 78 of Annual Budget 1948-49

P 15 of Lr. 1940 Edn. 21/8/47.

28/1/50

(BTD)

3-1-1949, Finance Secretary's ~~order~~ note on p.9 n.f. of Lr.5 Edn., dated 3-1-1949, and the orders in circulation ~~thereon~~ at p.10 thereof. There is therefore no case for a loan either.

Finance may be considered again.
28/1/50

5 In the circumstances, it is for orders whether the Registrar of the Annamalai University may be informed that the Govt. see no reason to reconsider the orders already passed in the matter. ~~Remarks~~ May be sent to Finance for remarks.

RS 25/2/50

28/1/50

5/Fin

Are we not giving a grant for acquiring buildings for residential purposes 1/3

Removed
Part II scheme note on pages 17-18 of linked file - (CIR 4248/49)

Yes please - Provision has been made in Part II of the budget for 1950-51 for a grant of Rs 2 Lakhs for the acquisition of lands for the provision of staff quarters, hostels and Low College build-ings, by the Andhra University.

In this case, the request relates to the payment of a ^{full} grant of Rs 12 1/2 lakhs for the construction of quarters for the staff or at least a half grant of Rs 6 1/4 lakhs and an interest free loan of Rs 6 1/4 lakhs.

13.50

Edn(F)
no. 100835/49-1 Edn
3/3/50.

2-350

5/Fin

We may give a half grant spread over three years

2/3/Fin



Finance (Exp.A).

Please see the letter from the Registrar, Annamalai University on pages 1-2 C.F., and the notes of Education on pages 1-3 above.

As stated by Education, the request of the Registrar, Annamalai University for a grant and loan for the construction of residential quarters for teaching staff, etc., was turned down previously more than once, mainly for the reasons that the financial position of this University is satisfactory and that it should be possible for the University to make diversions, from ^{its} the Permanent Endowment Fund which has large balance at its credit, to meet the capital expenditure on the scheme. The University pleads that, if such a diversion is made, its income from investments will be reduced and that the rent realised from the quarters built out of the capital will not give a return of even half of 3% which the Government Securities ^{fetch.} offer. But ~~there appears to be no~~ ^{this is not a sufficient} reason why the Government should give either a grant or a loan when the University has its own funds which can be utilised for the purpose, ^{and the Govt. are not in a position to balance their budget.} As regards the suggestion in para 5 on page 2 C.F., that the Government should take more responsibility for the College of Engineering, Technology of the University, it may be pointed out that the Government have made an increased provision of Rs. 1.5 lakhs on this account in the Budget for 1950-51. ^{for payment of grant-in-aid to this university.} In the circumstances, there appears to be no justification for a reconsideration of the previous orders in the matter.

2/. The previous Education Secretary has, however, suggested that the Government may give a half grant (Rs. 6.25 lakhs) spread over a period of 3 years. (ordinarily, proposals of this kind ^{if allowed to be formed} should be considered as Part II Schemes.) Apparently, the above suggestion has been made on the ground that it is proposed to give a grant of Rs. 2 lakhs to the Andhra University for acquisition of certain lands urgently required for the provision of staff quarters, hostels, and Law College Buildings. But this ^{block} limited grant of Rs. 2 lakhs ^{is} solely for the purpose of staff quarters,

and the grant itself was agreed to for the reason that the Andhra University is poorer than others. It ^{does not} ~~seems~~, therefore, ^{seem} that on this analogy, Annamalai University cannot be given a half grant of Rs. 6.25 lakhs for construction of staff quarters. As pointed out by this Department in another connection, if this proposal is approved, it will only amount to helping the Annamalai University to add to its resources, which the Government in the present state of their finances cannot afford to do. In the circumstances, Finance may strongly advise against the proposal.

The Annamalai university goes on adding to its resources by way of endowments funds and always pleads inability to meet other items of normal expre and applies to the Govt for a grant and a loan. This is not correct. The excuse given by the university that if it diverts its endowments it will lose income accruing therefrom is not a sound argument. After all it is not going to forter always such moneys on every day expenditure or unproductive expenditure. When addl bldgs are to be put up it should agree to divert from

See Letter No. 5 Edu

① 3-1-49
p. 945

para: 4 on
p. 1-2 C.F.

of 'K' on p. 7 N.F.
of ②

See item 118 on
p. 132 of the Budget
Memo. for 1950-51
and margin on
p. 12 N.F. of Letter
No. 645 Edu

There is no case for a
loan or a grant to the University

19.3.50 Y agree
Cell
Bottom of p. 3 Edu

See A on
p. 2 B Edu

pl. see copy
of Part II Schemes

1.8 N.F. of
Letter No. 645 Edu

② 1-3-50

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19.3.50

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ADS

is permanent Endowment which has large balances to its credit to meet capital expenditure. It is too much to expect the Govt to give the Annamalai University a grant or a loan when it does not actually need either. The case of Andhra University is no parallel. It is only a block grant for the acquisition of lands for different items including staff quarters. It may also be mentioned in this connection that a similar request from the Andhra University for a grant for the construction of quarters for its staff was turned down by the Govt. (In the Govt. file will advise that) The proposal does not deserve consideration.

Edm
20.3.50

Education(F)

The file relates to the request of the Annamalai University for a grant for the scheme for the construction of quarters for the staff within the University campus, at an estimated cost of Rs. 12.5 lakhs; or if that is not possible, the University wants half of this amount as grant and the remaining half as an interest-free loan, repayable in 20 instalments. It may be mentioned that the request of the University for a grant and loan for this purpose was considered more than once previously and negatived. Now this Department however suggested that



that as the Govt. will be giving a block grant of Rs. 2 lakhs the Andhra University for the acquisition of lands for the construction of staff quarters etc., a grant of Rs. 6.25 lakhs may be sanctioned to the Annamalai University for its scheme relating to the construction of staff quarters and this amount may be spread over 3 years. But Finance strongly advise against the reconsideration of the previous orders in the matter. In the circumstances, it is for orders whether the University's request for a grant for this scheme may be turned down and the Registrar informed that the Govt. see no reason to reconsider the orders already passed on the subject. The file may be circulated to H.M.(E.&L) for orders on above.

100835/P

21/3/50

22-3-50

21.3.50

23/3

27 MAR 1950

29 MAR 1950

H.M.(E.&L)

They will have to take half the cost from their own reserves. We could give them the grant asked for spread over a period of 3 years.

No. We need not give anything for construction of staff quarters. If they are acquiring any land, we may consider.

H.M.(E.&L)

27.3.50

28/3/50

29/3

Edn(F)

is to use letter orders in circulation
1 ante. A draft letter to the
strat, Annamalai University,
subd. for approval.

that

15/11/50
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Dr. M. 1095 Edn, dt 5/4/50.

21/12/50
11/3/51

was at last (143) with
(F) with a number of other, in a
subd. for approval