

Govt. of Madras

1-11/50

Education Department

G.O. (Ms) No. 1232

(Edn)

Date: 18/4/50

Subject: Education - Financial aid to displaced
Students and Trainees from Pakistan -
levy of interest and repayment of loan -
Govt. of India's instructions - Communicated.

No. F-6(2)-RHD/49.
Government of India.
Ministry of Rehabilitation.

5629/1/50
New Delhi, the 25th March, 1950.

From

Dr. Tara Chand, M.A.Ph.D.,
Assistant Secretary to the
Government of India.

To

The Financial Commissioner,
Relief and Rehabilitation,
Punjab, JULLUNDUR.

Sir,

I am directed to refer to your letter No.

890/U, dated the 4th February, 1950 and to state that
paragraph 1(7) of the scheme appended to this Ministry's
letter No. F-162/48-R & R, dated the 8th January, 1948
provides that no interest will be charged during a period
of one year from the date of payment of the last instalment.
In view of this provision no interest is to accrue on the
instalments of loan for the period beginning with the date of
the first instalment and ending with one year from the date
of the payment of the last instalment.

2. As regards recovery, the principal may be
recovered first and then the interest in one or more than
one instalments but the entire recovery including interest
should be completed within the maximum period of 4 years or
six years as the case may be from the date of the payment
of the last instalment of loan.

3. The educational loan scheme is administered
direct by the State Governments and therefore the
Government of India have not devised any tables of monthly
instalments of repayment. As a matter of fact reference
to any tables will not be necessary as the recovery of the
principal and interest is to be made separately. A
reference is, however, suggested to "Archer's" Loan
Repayment and compound interest tables.

4- The Government of India have not enacted any legislation for the recovery of educational loans nor are they aware of any other state Government's legislation on the subject. The Central Government have, however, under consideration the question of enacting some law so as to be able to recover loans as arrears of land revenue.

Yours faithfully,

Tara Chand
(Tara Chand)
Assistant Secretary to the
Government of India.

Copy with a copy of the letter under reply

to:

1. All State Governments (except the Government of Punjab).
2. All Chief Commissioners.
3. Ministry of Finance (R) with 20 spare copies with reference to their U.O.No. D-1590/FR(RH)/50 dated the 18th March, 1950.
4. Ministry of States with 15 spare copies for communication to States and Unions ~~Unions~~ of States.
5. Cabinet Secretariat.
6. Prime Minister's Secretariat.
7. P.I.O.
8. P.S. to Hon'ble Minister (Rehabilitation).
9. P.S. to Adviser.
10. P.S. to Secretary (Rehabilitation).
11. P.S. to Hon'ble Minister (F.A.).
12. All Honorary Regional Advisers.
13. R.&R. Org: (Defence Services) with 3 spare copies.
14. Sardar Sardul Singh, Punjab Government, Liaison Officer with the Government of U.P., Tiloi House, Lucknow.
15. Auditor General of India, Simla.
16. Accountant General, Central Revenue, New Delhi.

17. Deputy Accountant General, Food and Rehabilitation, New Delhi with 20 spare copies.
18. Budget Branch.

Tara Chand
(Tara Chand)
Assistant Secretary to the
Government of India.

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G.O. (Ms) No.

1232

Education (F)

Edu. d. 18-4-50

*Communicated to the Director
of Public Instruction, the Registrars of Universities*

P.T.O.

PUNJAB GOVERNMENT
DEPARTMENT OF REHABILITATION.



To

The Assistant Secretary to the
Government of India,
Ministry of Rehabilitation,
NEW DELHI.

No. 896/M Dated, Jullundur, the 4th February, 1950.

Subject:- Financial aid to displaced students and
trainees from Pakistan.

Sir,

I am directed to refer to your letter No. RL-2
(1-EP) dated the 6th October, 1949, and to state that the
Punjab Government have decided to recover the loans
advanced to displaced students in 36 equal instalments,
the recovery to begin one year after the date of the
payment of the last instalment. No interest is to be
charged during the period of the first year from the date
of payment of the last instalment and thereafter interest
at the rate of 2% will be charged. The recovery would
thus be made in four years, except in deserving cases where
the period may be extended to six years. It has also been
provided that interest on unpaid instalments would be
charged at the rate of 4%. This decision is in accordance
with the Government of India's Scheme.

2. In calculating the instalments for repayment of
the loan, a doubt has arisen as to whether any interest
is to accrue on the instalments of loan for the period
beginning from the date of the first instalment and ending
with one year after the payment of the last instalment.
The interpretation of the Government of India's Scheme as
contemplated by the Provincial Government is that no
interest is to be charged from the students for the said
period. This may be confirmed. Another point requiring
clarification ... 2.

The Heads of Depts Concerned and to all Collectors
of Districts in Continuation of G.O 272 Edu d 9.2.48.

Dist all the 25/4
To the P.P.I (with enclosure),
The Principals of Madras, Andhra
and Annamalai Universities,
The S. G. with Govt of Madras
The Bd of Rev. (")
The A. G.
The C. E.
The All Collectors "
The P. A
Copy to the Dev. Dept.
" " Pub (Elec) Dept. "
" " Fin
" " Dir. Gen. of P. "
Copy to the Health Dept "

S/c (5)

- 2 -

clarification is whether the instalments of repayment are to be 'equated' or whether interest is to be realised in separate instalments after the principal has been fully recovered.

3. It is considered that, for the sake of uniformity of procedure in all States, the Government of India may have devised certain tables of monthly instalments of repayments for period extending from 4 to 6 years at an interest of 2% per annum, also providing for the penal rate of 4% on default. I am to request that these tables, if prepared may be supplied.

4. The Punjab Government while adopting the Government of India's Scheme for financial assistance to displaced students did not promulgate any special legislation for recovery of loans from the students or their parents or guardians. Necessity of some legislation however, for giving powers to Government to effect recoveries is visualised by the Government. If the Government of India or some other State, Government have so far adopted any such measure, the Provincial Government will be grateful for the supply to it of a copy thereof.

Sd/-
Under Secretary(Urban)
for Financial Commissioner Relief
and Rehabilitation, Punjab, Jullundur.

OPN.
29/3