

**Mr. Deputy-Speaker:** There are no amendments here also. The question is:

"That clauses 1 and 2 . . .

**Shri Vasudevan Nair (Thiruvella):** May I say a few words?

**Mr. Deputy-Speaker:** On any clause?

**Shri Vasudevan Nair:** Certain general observations.

**Mr. Deputy-Speaker:** During the Third Reading.

The question is:

"That clauses 1 and 2, the Enacting Formula and the Title stand part of the Bill."

*The motion was adopted.*

*Clauses 1 and 2 and the Enacting Formula and the Title were added to the Bill.*

**Shri B. R. Bhagat:** Sir, I beg to move:

"That the Bill be passed."

**Mr. Deputy-Speaker:** Motion moved:

"That the Bill be passed."

**Shri Vasudevan Nair:** Mr. Deputy-Speaker, the hon. Minister has said that this Bill is a non-controversial one. It is really intended to repeal the Hyderabad Securities Contracts Regulation Act passed in 1943. That Act was intended to prevent undesirable transactions in securities. I would like to take this opportunity to get some information from the Minister. I am referring to a problem which was very much in the light before us for some time. In 1948, when police action was started against Hyderabad, the Hyderabad Government had a fund of more than 1 million pound sterling in a bank in London, the Westminster Bank Ltd., London. We all know that at that time, the then Finance Minister of Hyderabad transferred that amount to the High Commissioner of Pakistan. There is a long history of the legal battle on

this question. The House of Lords has finally decided that this amount cannot be transferred to the Government of Hyderabad or the Government of India.

**Shri B. R. Bhagat:** May I interrupt? This refers to the bank or foreign exchange. I do not know how it relates to the Bill

**Mr. Deputy-Speaker:** I am following that.

**Shri Vasudevan Nair:** My point is, I want to know whether, in accordance with the assurance given by the Home Minister in this very House last year, in December 1957, any action has been taken to get back the amount that was given by the Hyderabad Government. That is all.

**Mr. Deputy-Speaker:** It is not relevant to this question, particularly not so far as the Third Reading is concerned. If the hon. Minister has got any information, he may give.

**Shri B. R. Bhagat:** I am sorry, I was not prepared for this and I have not got the information.

**Mr. Deputy-Speaker:** The question is:

"That the Bill be passed."

*The motion was adopted.*

INDIAN STAMP (AMENDMENT)  
BILL

**The Deputy Minister of Finance (Shri B. R. Bhagat):** Mr. Deputy-Speaker, I have another simple Bill which, I think, the House in its indulgence will pass smoothly. I move:\*

"That the Bill further to amend the Indian Stamp Act, 1899, be taken into consideration."

This Bill seeks merely to express the existing rates of stamp duty for instruments falling in the Union List in terms of decimal coinage. This is a consequential Bill to the introduction of decimal coinage. As the House is aware, the rates of stamp

\*Moved with the recommendation of the President.

duty under the Stamp Act are to be fixed in respect of some instruments as promissory notes, etc. by the Centre and the rates in respect of the others are to be fixed by the States. We are, therefore, dealing only with the former category and the States are promoting legislation regarding the latter. Wherever the existing duties, when converted in terms of the rate of conversion given in the Indian Coinage Act, resulted in a fraction of a Naya paisa, the rate applicable has been rounded off at the next higher stage in multiples of five. This has been done in consultation with the State Governments to whom the revenue from stamp duty accrues. Thus, one anna becomes 10 Naya paisa instead of 6.25 Naya paisa, after 6.25, the next multiple of five being ten. Rates such as four annas and eight annas which have exact equivalents of 25 Naya paisa and fifty Naya paisa have been converted without any effective change. The details are shown in clause 13 of the Bill.

The question of what is to be done with stamps already issued has also been considered. In the interest of economy, the existing stamps of four annas and eight annas, etc., which have exact equivalents in round figures in decimal value, have been allowed to be used until the stocks are exhausted. Necessary provision for this has been made in clause 11 of the Bill. In respect of stamps of other denominations, for example, 1 anna, 2 annas, 3 annas, etc., which have no exact equivalent value in round figures in terms of decimal coinage, suitable provision for refund of the value of such stamps has been made in clause 9 of the Bill. This is intended to save the members of the public, the stamp vendors, etc. from loss on account of the old stamps which will cease to be valid with effect from the commencement of this Act. The other provisions in the Bill are merely consequential. I hope hon. Members will feel no hesitation in passing this Bill which is merely of a consequential nature. With these words, I move.

**Shri Warior (Trichur):** May I rise on a point of order?

**Mr. Deputy-Speaker:** The President's sanction?

**Shri Warior:** Yes; President's sanction.

**Mr. Deputy-Speaker:** President's sanction is there. The President's sanction has been obtained: I might inform the hon. Member.

Motion moved:

"That the Bill further to amend the Indian Stamp Act, 1899, be taken into consideration."

**Shri Warior:** Sir, I have given notice of certain amendments along with my hon. friend Shri Narayanan-kutty Menon. The main purpose of this Bill is said to be to convert the existing duty of 1 anna and multiples of that into round decimal coinage. For one thing, they want to round off the figures and it is another thing that they want to convert them into decimal coinage. Going through the Bill, I am reminded of the story of an old woman who was blind and preparing cakes to sell. Somebody asked, why the cakes are always small and not bigger. She said that she was blind. How can it be that the blind woman can make only small cakes and not bigger cakes? Here, it is just the reverse. Rounding is at a higher figure and not a lower figure. For one anna, the decimal coinage nearest in round figures is five. But, the Minister is pleased to say that the next round is ten. This is taken to 10 which is a longer distance from 6 than 5, even half an anna is raised to ten Naya paise. This enables the State Governments to have additional revenue without a new taxation, because for every one anna or half anna, they are empowered now by provisions of this Bill to make it ten *naye paise*. The maximum is not made five *naye paise*.

The object of the amendment is also clear. We want as far as possible to give the maximum relief to the

[Shri Warrior]

people and at the same time not in any way reduce the income from the stamp duty for the State Governments. We all know that these duties are all going to the State Governments, and the State Governments are empowered to determine, according to their own conditions, the incidence of the stamp duty, which is not to exceed ten *naye paise*. So, they can go up to ten *naye paise* and not above that, but I want to restrict that concession for one anna to five *naye paise*. For half an anna also we concede it may be raised to five *naye paise*, and for  $1\frac{1}{2}$  annas likewise. I have given amendments for that. I think there will not be any difficulty for the Government to accept it. I do not think that it will in any way curtail the revenue that the State Governments are getting at present by this, because, even though it has been lowered for one and half annas, in certain cases, even according to my amendment, there are higher rates.

At the same time, I wish to know why the duration of six months given for refund should not be made into one year. I have given that amendment also, because in our country there are many people who may know about this legislation only after six months. People are of that type, and they may retain these things. Even 1940 coins are still retained by some people who do not know that they have ceased to be legal tender.

Another question that I want to ask is: when these things are returned, will the same calculation be made or not? For one anna stamps, will the Government give ten *naye paise* or only six *naye paise*? I want that clarification also.

**Mr. Deputy-Speaker:** Is there a doubt about it?

**Shri Warrior:** I have.

**Mr. Deputy-Speaker:** The value of that stamp is to be determined at the enhanced value.

**Shri Warrior:** I do not know what will be coming out. If it is the same equation, I am fully satisfied and everybody is satisfied. Even now there is confusion as to the change. In the DTS buses we were paying formerly one anna; now they are taking only five *naye paise*, but in this case it is ten *naye paise*. One institution is following one rate, and another institution is following another rate. So, there is ample scope for doubt. I wish the Government will accept one year instead of six months as the duration for exchange.

**Shri Achar (Mangalore):** I too would like to support the remarks made by the previous speaker.

The object of this Bill is only to round off and have the *naye paise* system introduced, but what exactly is the effect? I find throughout there is an increase. For example, one anna, as the previous speaker has mentioned, is raised to ten *naye paise*, practically doubled. If the policy is to enhance the duty, I can understand it, but the object is stated to be simply to have the *naye paise* system. However, the effect is practically to double some of the items. Somehow, in every case there is an increase. I have some experience of these stamp laws for the last 38 years or so. In the Stamp Acts one after another there is an increase. They do not definitely say that the policy is to have a sort of taxation. After all, this extra collection on stamps is not collected as a general tax from all people. It is only a section of the public that go in for litigation or for other purposes have to purchase stamps. The policy of the Government is not to increase taxation. Then, why should this particular section of people who have the misfortune to go and purchase stamps be subject to this increase of taxation by every Act?

I remember when the new postal system was introduced, there also it was said that it was not a question of taxation, that they were not charging higher, but as a matter of fact, the effect was that by its introduction in almost every item of these postal articles, whether it be card, envelope or inland letter, there was an increase. If the Government really wants to enhance and use this Bill also as a taxation measure, at least they should say that. Probably that cannot be done, but without saying that I am really unable to see why, by simply stating that we are converting it into the *naye* paise system, this should be adopted. I am unable to understand how in the case of one anna it has been practically doubled. Why not have five *naye* paise?

I find in New Delhi even the bus company people have introduced the new system with *naye* paise. Formerly where it was one anna, it has been reduced to five *naye* paise, not increased. Even the bus company has adopted that method. I do not see why the Government should also not do it. They should not increase the taxes by the simple, I would not say, surreptitious method, but anyhow a method which is not open enough. That is all I have to say.

**Shri Balasaheb Patil (Miraj):**  
Reading the Statement of Objects and Reasons, we find it is stated:

"It is also observed that in some cases the exact equivalents of the existing rates of stamp-duty in terms of the new coinage involve fractions of *naya* paisa which require to be rounded off."

My submission will be that for one anna according to section 14 of the Indian Coinage Act we get six *naye* paise. It is not a fraction, and it is also working in the market. Why is it required that it should be rounded off, that it should be increased?

Let us read all the provisions about the rounding off of these amounts.

Clause 9 of the Bill says differently. It reads:

"Notwithstanding anything contained in section 54, when any person is possessed of a stamp or stamps in any denominations, other than in denominations of annas four or multiples thereof and such stamp or stamps has or have not been spoiled..."

This word "spoiled" has an additional meaning, that is soiled or something like that, but when the stamp is not used, it is not defaced, or it is not defaced according to the postal or any authority that uses it, it cannot be said to be spoiled. Therefore, some explanation at least should be offered by the hon. Minister about this word "spoiled". Then it says:

"...the Collector shall repay to such person the value of such stamp or stamps in money calculated in accordance with the provisions of sub-section (2) of section 14 of the Indian Coinage Act, 1906..."

The Government is selling the stamps getting ten *naya* paise for one anna, but when the private person is to give back the stamp to the Government and get the amount from the Collector, he is to get according to the provisions of the Indian Coinage Act. Why this difference between the private person and the Government? It may be the mistake of the private person that he has purchased it, that he has retained it, and so he must be put to a loss, because he will require new stamps and he will have to pay four *naye* paise per stamp. That means a loss to the private person and gain to the Government.

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Secondly, the provision says he will be paid back by the Collector. This is something new. For, after all, in law, or even in legal terminology, the collector pays back the money on the stamp duty, but it is given back by

[Shri Balasheb Patil]

the Treasury. There are so many things that have to be done; we have to apply; then, the collector has to see, then there are notings on files, and there are many officers through whose hands the files have to go; and after nearly six or ten months or even years, the order for the refund is given, and then we get the money.

Therefore, my submission is that the Minister should think over this and make it very simple so that a person going to the collector with the stamps will get the amount within a few days without unnecessary trouble and harassment. I hope Government will think over this seriously.

**Mr. Deputy-Speaker:** I think we can resume the discussion on this Bill tomorrow.

**Shri B. R. Bhagat:** We can finish it today.

**Mr. Deputy-Speaker:** There are some other hon. Members also who want to speak.

**Shri B. R. Bhagat:** I do not think there are any other hon. Members desiring to speak. I shall just take a minute or two.

**Some Hon. Members:** We shall take it up tomorrow.

**Mr. Deputy-Speaker:** We shall take it up tomorrow.

We shall now take up the next item on the Order Paper.

#### MOTION RE: REPORT OF UNIVERSITY GRANTS COMMISSION

**Shri Harish Chandra Mathur (Pali).** I beg to move the following motion standing in my name and those of eleven other hon. Members of this House:

"That the Report of the University Grants Commission for the period December, 1953 to

March, 1957, laid on the Table of the House on the 3rd March, 1958, be taken into consideration."

It will have to be conceded that we wasted a lot of time, and very valuable time at that, and were not even able to appoint the University Grants Commission till 1956. It is true that certain *ad hoc* arrangements were made, but these arrangements were half-hearted and perfunctory, and those persons whose hands were already full with other work were asked to carry on as chairman and members of the commission almost as off-time jobs. All this has happened, and what is much more important is that university education has been ignored at the most crucial time in the nation's history when new problems and new ideas in the wake of Independence and Partition had a great impact on our life. And during these seven or eight years, when university education has started expanding under very abnormal circumstances, during this very crucial period in the nation's life, it is really painful and unfortunate to find that there was little or nothing done to see that a certain new content and certain new values were given to our university education so that the already low standards of education did not further deteriorate and more co-ordination was brought about.

I mention this only to stress that these circumstances have cast a far greater and accumulated responsibility both on Government as well as on the University Grants Commission. Now, they have got to tackle problems which are the resultant of a situation which went uncared for, and at a time, which, as I mentioned before, was the most crucial in the nation's life. But I have to hesitation in congratulating Government on the composition of the University Grants Commission when it was appointed in 1957. The personnel of the commission is certainly unexceptionable; it commands the respect and confidence