

and make it available to shipping companies under the usual guarantees?

**The Minister of Finance (Shri T. T. Krishnamachari):** Yes, Sir; There have been to the knowledge of Government two or three suggestions of this nature.

**Shri Jhulan Sinha:** May I know if the shipping interests had indicated to the Government the extent of foreign exchange that they require and has this been examined by the Government and made available?

**Shri T. T. Krishnamachari:** From time to time we get demands from the shipping interests for provision of foreign exchange. We have provided them with such foreign exchange that is available. At the present moment we are not in a position to offer them any foreign exchange unless it be that they satisfy other conditions.

**Shri Joachim Alva:** On a former occasion, the hon. Finance Minister replying to my question said that Government was prepared to consider some grants for transport including aviation I want to know how far these proposals have materialised.

**Mr. Speaker:** This relates to shipping.

**Shri T. T. Krishnamachari:** This relates to shipping. What I said was those suggestions were made and nothing further has been done about it.

**Shri Morarka:** Is it not a fact that we are experiencing some difficulty in getting loans from the World Bank even in respect of the expansion of railways for which there was a definite commitment by this bank and if so, would it be desirable to make another approach for shipping?

**Shri T. T. Krishnamachari:** The first part of the question is not correct and therefore, the second does not follow.

**Shri H. C. Dasappa:** May I know the extent of help that these shipping concerns are expecting from the World Bank?

**Shri T. T. Krishnamachari:** I think these are merely suggestions that have been made. I have said that the matter could not be pursued further,

because, as another hon. Member has pointed out, we have already got several schemes from the World Bank, which have been examined and they are in certain stages of fruition; we had not put in any fresh demands for assistance in this regard. So, I cannot enlighten the hon. Member in this particular matter.

**Shri R. Ramanathan Chettiar:** May I know in what stage the negotiations are going on with the World Bank in regard to the loan for shipping?

**Shri T. T. Krishnamachari:** There is no proposal from the World Bank for giving loan for shipping.

**श्री रघुनाथ सिंह :** इस बात को देखते हुए कि वर्ल्ड बैंक से शिपिंग के लिए इस वक़्त कोई सहायता प्राप्त नहीं हो सकती, आप इस वर्ष शिपिंग की उन्नति के लिए कितना फ़ारेन एक्सचेंज देना चाहते हैं ?

**Mr. Speaker:** How does it arise out of this question? This relates to loan from the World Bank. He says "Leave alone the World Bank; what is the provision you are going to make for shipping?" I have ruled it out. It does not arise out of this question.

#### Recognition of Stock Exchanges

\*1200. { **Shri Morarka:**  
**Shri Nathwani:**

Will the Minister of Finance be pleased to state:

(a) how many stock exchanges in all have been recognised so far and where;

(b) what principle has been followed in recognising a stock exchange in a place where more than one exists; and

(c) what facility, if any, is given to the different stock exchanges to amalgamate themselves either before or after such recognition?

**The Deputy Minister of Finance (Shri B. R. Bhagat):** (a) Government has so far recognised 5 stock exchanges, namely, The Stock Exchange, Bombay The Ahmedabad Share &

Stock Brokers' Association, Ahmedabad, The Calcutta Stock Exchange Association Ltd., Calcutta, The Madras Stock Exchange Ltd., Madras and The Delhi Stock Exchange Association Ltd., New Delhi.

(b) and (c). The general principle regarding grant of recognition to a stock exchange as laid down in Section 4(1) of the Securities Contracts (Regulation) Act, 1956 have been followed. The Act does not envisage amalgamation, as such, or stock exchanges either before or after recognition is granted under section 4 thereof. Nevertheless, to avoid undue hardship to members of the exchanges which have not been recognised, Government have prescribed certain terms and conditions on which active members of the unrecognised exchanges can seek admission to the recognised exchange.

**Shri Morarka:** May I know what were the terms prescribed for admission of members of these un-recognised stock exchanges of Bombay to the recognised stock exchange there?

**Shri B. R. Bhagat:** That is prescribed in the rules framed under the Act.

**Shri Morarka:** Is it not a fact that in spite of various representations, one of the conditions prescribed was the payment of Rs. 40,000 per head by way of fees and deposits and as this was not payable, no member could become a member of this association?

**Shri B. R. Bhagat :** I am not aware of that. Whether any member has been able to avail of this, I want notice.

**Shri Mohiuddin:** Is it a fact that the application of the Hyderabad stock exchange for recognition has been rejected?

**Shri B. R. Bhagat:** I want notice. Only five we have recognised. Hyderabad does not appear in it.

**Shri Nathwani:** In view of the fact that in the East India Cotton Association there are two kinds of members, namely associate members and full members, may I know the reasons, why the members of the unrecognised

stock exchange were not admitted as associate members in the recognised stock exchange?

**The Minister of Finance (Shri T. T. Krishnamachari):** It is obvious that the other association did not fulfil the conditions laid down under section 4 (1) of the Act.

**Shri Joachim Alva:** Has the Government come to any definite conclusion to confine these stock exchanges to the list already enumerated? Has the Government any intention of strictly curbing many stock exchanges which are not recognised, but are indulging in illegal activities?

**Shri T. T. Krishnamachari:** It is difficult for me at the present moment at such short notice to formulate a policy in this regard.

**Shri Prabhat Kar:** May I know why the Government is not taking any steps to have amalgamation of these unrecognised stock exchanges into recognised stock exchanges, because, the continuance of unrecognised stock exchanges creates much complication in the stock exchange?

**Shri T. T. Krishnamachari:** Amalgamation is possible and Government will certainly use its good offices to that end provided the stock exchange as it has functioned hitherto is willing to adjust itself to the terms and conditions of the exchange to which it wants to be amalgamated. The difficulty really lies in the fact that many of these people are unwilling to accept the terms and conditions imposed for entry into the stock exchange which has been recognised.

**Shri Nathwani:** May I know whether the East India Cotton Association fulfils the principles underlying section 4 (1) or not?

**Shri T. T. Krishnamachari:** I do not know if the East India Cotton Association is guided by this particular Act. I am afraid I will have to ask for notice to examine the position.

**Shri R. Ramanathan Chettiar:** May I know if any representations had been made to the Government from the un-recognised stock exchanges

stating the hardships that they will be put to by not being admitted into the recognised stock exchanges?

**Shri T. T. Krishnamachari:** I am sure that anybody that has been functioning freely hitherto, when some kind of restriction is put and is not able to comply with the requirement, protests to the Government. Such protests had come. As I have mentioned before, we have tried to see if some kind of amalgamation or some kind of reconciliation of the various interests could not be made. In the case of Bombay, particularly, I think the promulgation of this Act was kept in abeyance for quite a number of months in order to see that the two associations dealing with securities could come together. The real fact was that the association that wanted to come in and is not recognised wanted to do so without any condition imposed on it either in the matter of payment of fees or in the matter of deposits. Such being the case, it is very difficult for the Government to do anything in this matter.

#### Sealing off of Ports

\*1201. **Shri K. U. Parmar:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact, that some ports of Saurashtra in Bombay State have been recently sealed for the purposes of foreign trade;

(b) if so, the number of such sealed ports; and

(c) the reasons for sealing such ports for foreign trade?

**The Deputy Minister of Finance (Shri B. B. Bhagat):** (a) and (b). Yes Sir. The two ports of Beyt and Madhavpur in Saurashtra in the Bombay State have been closed for the purposes of foreign trade since July, 1957.

(c) The reason for closing these ports to foreign trade was that there had been no foreign import/export traffic at these ports since 1953-54.

**Shri K. U. Parmar:** May I know whether it is a fact that some 16 ports on the border line were sealed only for the reason that smuggling of gold was done there?

**Shri B. B. Bhagat:** The 16 ports were sealed for the same reason that there was no foreign import export traffic.

**Shri M. B. Thakore:** May I know from the hon. Minister whether a large volume of trade coastal as well as internal suffers heavily because of the sealing of such ports?

**Shri B. B. Bhagat:** Coastal trade is still going on in these ports.

**Shri S. C. Samants:** May I know whether, before sealing these ports, attempts were made to divert some goods from the Bombay port to these ports?

**The Minister of Finance (Shri T. T. Krishnamachari):** The position is this. Nobody made any attempt really. I have got a statement which, if hon. Members would like, I will place\* on the Table of the House which indicates, while these ports have a coastal trade, they have really no foreign trade at all. They have had no foreign trade during 1953-54 and 1954-55. These 16 ports have no foreign trade at all and it is difficult for us to keep the staff necessary for the purpose of controlling foreign trade which is non-existent.

**Shri Sonavane:** May I know whether the congestion at the three major ports is the result of sealing of these 16 ports?

Some Hon. Members: No, no.

**Shri T. T. Krishnamachari:** I am afraid it is rather remote. It cannot be a cause and effect.

**Shri K. U. Parmar:** May I know whether it has come to the notice of the Government that a news appeared in the press that the reason for sealing was that they are only smuggling gold and no other reason?

**Mr. Speaker:** An hon. Member put that question already. The hon. Minis-

\*Placed on the Table later in the day [See Appendix IV, annexure No. 57-A.]