

the Bombay Stock Exchange.

(b) If a member of the Bombay Stock Exchange calls out prices or makes bids or offers or trades in the street or at the entrances to or in the vicinity of the Stock Exchange, he is deemed guilty of unprofessional conduct under the bye-laws of the Exchange. Further, any person who joins, gathers or assists in gathering at any place for doing business in securities other than the place of business specified in the bye-laws of a recognised stock exchange shall, on conviction, be punishable with imprisonment for a term which may extend to one year, or with fine or with both under the provisions of Section 23(1) of the Securities Contracts (Regulation) Act. According to Section 25 of the said Act, any offence punishable under the provisions of Section 23(1) of the Act shall be deemed to be a cognisable offence within the meaning of the Code of Criminal Procedure.

(c) Does not arise in view of answer to (b) above.

Regulation of Foreign Exchange Money Market

153. SHRI SHIV CHARAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a Foreign Exchange Money Market is in existence in India;

(b) if so, in what manner Government keeps regulatory discipline on the same; and

(c) what is the estimated amount of dealings in Foreign Exchange in the said money market in India for the latest year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The dealings in the Market are governed by exchange control regulations as laid down in the Exchange Control

Manual of the Reserve Bank as well as the guidelines/rules of the Foreign Exchange Dealers Association of India.

(c) For the Financial Year 1990-91 the foreign exchange turnover was Rs.7,15,008 crores.

Companies with Limited Liabilities to Work as Brokers and Jobbers

154. SHRIMATI ILA PANDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the companies with limited liabilities are allowed by Government to work as brokers and Jobbers on stock exchanges in India, under the law; and

(b) if so, who will bear the liabilities for losses of such brokers and Jobbers in case of Joint Stock Companies with fully paid up shares?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Government have issued a Notification on 13th November, 1992 amending the Securities Contracts (Regulation) Rules, 1957 in order to provide that a company as defined in the Companies Act 1956 shall also be eligible to be elected as a member of a stock exchange if it, *inter alia*, satisfies the following conditions:

- (i) Such company is formed in compliance with the provisions of section 12 of the said Act;
- (ii) Such company undertakes to comply with such financial requirements and norms as may be specified by the Securities and Exchange Board of India for the registration of such company under sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992;
- (iii) majority of the directors of such company are shareholders of the company and not less than 40% of the paid up equity capital, of the company is held by these directors