

REASONS FOR HIGH MARKET CAPITALIZATION, TRANSACTIONS, GROWTH & VOLATILITY OF INDIAN STOCK MARKET

Prabhakar Singh

DEPARTMENT OF STATISTICS

HARISCHANDRA POST-GRADUATE COLLEGE VARANASI, INDIA

Email : prabhakarsingh06725@gmail.com

Abstract

India has 22 stock exchanges, the earliest of which was the Bombay Stock Exchange (BSE), which began regular trading in 1875, making it one of Asia's oldest. The Indian securities market, particularly the secondary market, has seen tremendous development in recent years. The stock markets have been upgraded by advanced technology and internet transactions. The Indian stock market is regarded substantial in terms of the number of firm's listed and overall market value in relation to the country's level of economic growth. The number of publicly traded firms has doubled, and market value has nearly tripled. This article focuses on many stages of the Indian capital market, such as, starting stage, early obstacles, numerous frauds, stock market expansion, present stock market stages, and many factors for up and down trend in Indian stock market.

Keywords :- BSE, EFT, Stock Market, capital Market, frauds

INTRODUCTION:

The Indian capital market still confronts several hurdles in order to promote more effective capital allocation and mobilisation in the economy. To begin, market infrastructure must be modernised since it impedes the efficient flow of information and effective corporate governance. Accounting standards will need to evolve to reflect internationally accepted accounting practises. The court system and legal mechanisms should be strengthened to effectively safeguard the rights of small shareholders and their ability to supervise corporate activity. Second, the trading mechanism must be improved in terms of transparency. To ensure market efficiency, market information is a critical public benefit that should be published or made available to all participants.

SEBI have to also monitor more carefully cases of insider trading. Third, India may want similarly integration of the national capital market through consolidation of inventory exchanges. The trend all around the global is to consolidate and merge existing stock exchanges. Not all of India's 22

inventory exchanges may be capable of justify their lifestyles. There is a pressing want to increase a uniform agreement cycle and common clearing machine that will convey an end to pointless hypothesis primarily based on arbitrage opportunities. Fourth, the payment system must be advanced to higher hyperlink the banking and securities industries. India's banking gadget has but to come up with suitable Electronic Funds Transfer (EFT) solutions. EFT is crucial for problems such as direct bills of dividends through bank accounts, casting off counterparty risk, and facilitating foreign institutional investment. The capital market cannot thrive on my own; it must be incorporated with the opposite segments of the economic gadget. The worldwide fashion is for the removal of the conventional wall among banks and the securities market. Securities market improvement has to be supported with the aid of normal macroeconomic and monetary region environments. Further liberalization of hobby fees, reduced economic deficits, completely market-based totally issuance of Government securities and a more aggressive banking quarter will help inside the improvement of a sounder and an extra efficient capital marketplace in India.

HISTORY:

The Bombay Stock Market is the oldest stock exchange in the Asian area. It began in 1830, beneath a banyan tree near Mumbai's town hall (now Hardiman Circle). That year, six brokers began trading in the equities of the East India Company as well as a few commodities such as jute, tea, and cotton. It was founded in 1875 under the name 'The Native Share and Stock Broker's Association.'

EARLYCHALLENGES:



The Securities Contracts (Regulation) Act of 1956 granted the association status as a stock exchange in 1956. It began as a group of individuals, but with recognition, it was transformed into a corporate and demutualized body.

In 1957, there had been much less than 2 hundred listed corporations, with a combined market capitalization of approximately Rs 432 crore. "Only 40-50 scraps had been actively traded". BSE had grown out of the banyan tree into concrete homes. Trading took floor ground of the principle building and the second one on the fourth floor of the adjacent building. Trading became carried out thru the

open outcry machine. It could begin at 12 noon and go on till 2.30 PM. Marwari's and Gujarat is dominated the crowded trading room. It became hard to capture the order while everybody became shouting. Trading in shares flourished notwithstanding numerous demanding situations.

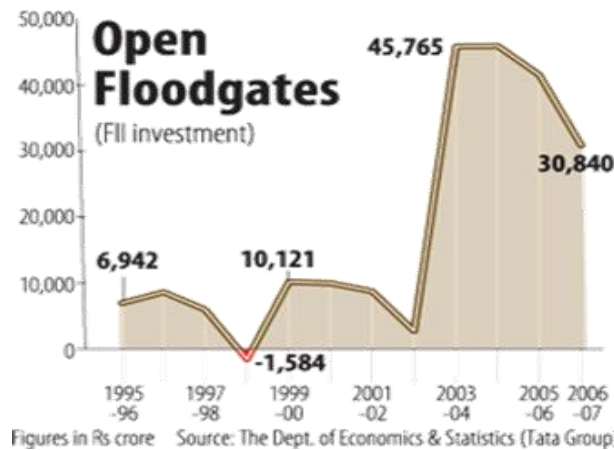
Each member could file transactions made inside the buying and selling ring in a e-book provided by means of the change. "The first column protected purchases and second column, sales and not using a areas between consecutive offers," says Dinesh Thakur, Chairman and Managing Director of Angel Broking and a marketplace player for 21 years. There might be Frequent disputes, as these transactions had been now not felony binding. Everything labored on trust.

In those days, corporations were no longer obliged to provide facts to investors. However, a few well traded agencies together with Century, Tata Ordinary (the sooner avatar of Tata Steel), Tata Engineering, Tata Power, ACC, Bombay Dyeing, GE Shipping, Indian Hotels, ITC, Mukund, Berger Paints and Phillips did offer data to traders via stock exchanges. Many companies infrequently even launched annual effects. It turned into tough even to gauge the path wherein the marketplace turned into shifting, as there was no inventory marketplace index. The Sensex turned into constituted best in 1979. A few scraps, which include Century and later Tata Ordinary, acted as a proxy for the marketplace.

Though The Capital Issues (Control) Act turned into cleared in 1947, it furnished little protection to traders. The Act made it obligatory for every company installation in India to Seek permission to trouble clean shares to the public or make rights problems. According to the Act, permission additionally had to be received for solving the cost of the shares to be issued. Over the following couple of years, individual pieces of law like The Chartered Accountants Act 1949 and the Companies Act of 1956 helped enhance the kingdom of the market.

INITIALSCAMS:

Given the overall tax regulatory environment of the initial years, unscrupulous factors made their way into the markets. Post-independence, the first large inventory marketplace scam came about in 1955-56. Industrialist Hari Mundra engineered it. He is said to have gained the favour of the then Finance Minister TT Krishnamachari (TTK) in getting the Life Insurance Corporation of India (LIC) to make investments in the company sector and additionally in his corporations. Agarwal, analysts remembers a few details of the scam. Share fees of several corporations that Mundra had invested in crashed. LIC is pronounced to have misplaced Rs 1 crore. The finance minister was compelled to resign, although he was later reappointed.



The '50s have been a turbulent period for the markets. TTK struck returned with the imposition of wealth and expenditure tax that placed strain on proportion prices. The financial system become sluggish and the finance minister got here under stress for the manner he applied the Five-Year Plan. In 1959, corporations had been barred from paying out dividends. A tax on bonus issues changed into also introduced. "The market fell terribly and needed to be closed for round one month," says Agarwal. In those days, periodic shutdowns of the inventory market were pretty common—occasionally there would be no buying and selling for a month. This befell once more in 1962 during the Indo-China battle and in 1965 and 1971 during the Indo-Pak wars. In the duration following these wars, excessive inflation crippled the economy in addition.

THE FIRST ACTION HERO:

It turned into at some point of this disaster that Sir Pharoses Jamshedji Jeejeebhoy came to the fore. He has become Chairman of the Bombay Stock Exchange in 1966. "PJ himself become a group and a completely honest guy". "He turned into respected by all. As there were no law or guidelines governing brokers, he would step in to settle disputes amicably."

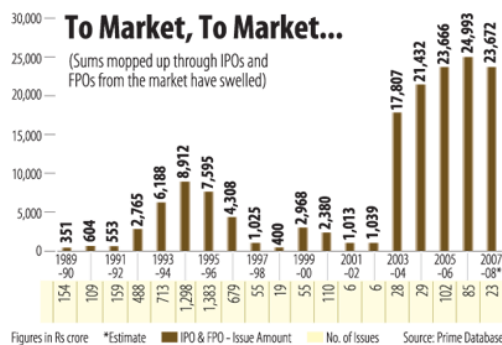
In 1966, BSE turned into rocked via twin crises. First, the government banned forward trading in commodities. Two, it devalued the rupee with the aid of 36.Five%—from Rs 4.Seven five to a dollar to Rs 7.50. PJ helped manipulate the consequent volatility within the trade by way of introducing margins and different measures. He additionally labored on much inventory trade associated reforms and helped transform BSE right into a modern trade. He initiated the brand new BSE building. Unfortunately, he died in 1980, just earlier than the constructing became finished. It is called after him.

A commonplace theme walking via the primary four decades after Independence turned into controls. For instance, from 1947 the Controller of Capital Issues (CCI) controlled the number one market. All

preliminary public offerings (IPOs) had to be cleared via CCI. An IPO constantly needed to be at par. Premium for next issues could be based totally on a CCI components Bonus troubles had been additionally restrained. No agency changed into allowed making greater than two bonus issues inside a span of five years.

In that generation, share expenses were ruled normally by using news of licenses being issued by means of the authorities. Prices might go up if corporations were given licenses to manufacture some thing or allowed to make bigger their capacity. "Fortunes of companies not often changed," says Agarwal. Everything was controlled. There were only a few fine surprises for buyers.

Perhaps the primary occasion that sparked enormous hobby among retail traders become the Foreign Exchange Regulations Act (FERA) Act 1973. Government forced multinational companies (MNCs) to restrict foreign possession to forty% (51% in a few high generation regions.) MNCs have been asked to dump the balance shares at the charge fixed by CCI. Indian investors took advantage of this regulation and were given MNC shares cheap. The subsequent inflection factor got here in 1977 whilst Reliance Industries floated its IPO Then came liberalization in 1991.



LIFE AFTER HARSHAD MEHTA:

But the inventory marketplace did no longer have an awful lot time to contemplate the effect of the financial system being unfolded. It was rocked with the aid of a big crisis. Harsh ad Mehta, a New India Assurance clerk became Big Bull, discovered cracks in the banking device through which he sucked out cash to force percentage expenses up. Clearly, lessons from the Hari Mundra episode had not been learnt.

More than liberalisation, it becomes harsh ad Mehta who drove the stock exchanges towards reforms. The scam forced the authorities to set up the Securities and Exchange Board of India (SEBI) in 1993 the equal year Foreign Institutional Investors (FIIs) have been allowed to invest inside the stock market. In 1994, the government authorised putting in place the National Stock Exchange (NSE). The mutual fund industry also took wings at the moment.

In 1995, on line trading became opened to agents. The open outcry gadget was abandoned. This delivered approximately a SeaChange inside the subculture of investing. When Kisan Retinal Chokey, Chairman of KR Chokey Shares & Securities commenced buying and selling in the market in 1961, Kolkata was still an active buying and selling centre. "Exchange of statistics between Mumbai and Kolkata turned into very tough because the phones frequently did not work," he remembers. "But display screen-primarily based trading has helped investors outdoor Mumbai," Chokey adds. This made buying and selling reachable to many buyers, even in small cities.

Simultaneously, the National Securities Depository (NSD) opened in 1996. Companies with licences were allowed to open depository services. "Dematerialization has made our existence extraordinarily easy," says Soumil Bhan Sali of Bhogali Bhan Sali Firms, a company commenced with the aid of his grandfather in 1945.

The buying and selling cycle become shortened from T+14 to T+2. This also reduced the transaction time dramatically from 15-21 days to 2 days. Transaction charges, too, nose- dived. The excessive commission charged by agents approximately a decade in the past (up to 2-three% of the deal fee) turned into introduced down to zero.02%. Trading in derivatives like inventory index futures, stock index options and futures and options in individual shares were introduced to provide hedging options and improve the fee discovery mechanism.

MOVEMENT OF INDIAN STOCK MARKET BEFORE FOREGIN INVESTMENTS:

During 1830's Business on company stocks and shares in Bank and Cotton presses began in Bombay 1860-1865 Cotton charge bubble because of the American Civil War. 1870-ninety's sharp growth in share charges of jute industries followed by means of a growth in tea stocks and coal 1978-79 Base 12 months of Sensex, defined to be one hundred. 1986 Sensex first compiled the use of a market Capitalization-Weighted method for 30 thing stocks representing properly- set up corporations throughout key sectors. On July 25, 1990, the Sensex touched the four- digit parent for the first time and closed at 1001 within the wake of an amazing monsoon and outstanding corporate outcomes. On January 15, 1992, the Sensex crossed the 2000-mark and closed at 2020 accompanied by way of the liberal monetary coverage tasks undertaken by means of the then finance minister and current Prime Minister Dr Manmohan Singh. On February 29, 1992, the Sensex surged past the 3000 mark inside the wake of the market-friendly Budget introduced via Dr Manmohan Singh. On March 30, 1992, the Sensex crossed the 4,000-mark and closed at 4091 on the expectations of liberal export-import coverage. It became then that the harsh ad Mehta rip-off hit the markets and Sensex witnessed unabated promoting.

MOVEMENT OF INDIAN STOCK MARKET AFTER FOREIGN INVESTMENTS:

In the yr 1993 overseas institutional traders (FIIs) have been allowed to invest within the stock marketplace.

On October eight, 1999, the Sensex crossed the 5000-mark because the Bharatiya Janata Party-led coalition gained the general public inside the thirteenth Lok Sabha election.

On February 11, 2000, the statistics generation growth helped the Sensex to go the 6000-mark and hit and all time excessive of 6006.

On June 20, 2005, the information of the agreement among the Ambari brothers boosted investor sentiments and the scraps of RIL, Reliance Energy, Reliance Capital and IPCL made big profits. This helped the Sensex crossed 7000 factors for the first time.

On September 8, 2005, the Bombay Stock Exchange's benchmark 30-share index – the Sensex - crossed the 8000 degree following brisk buying via foreign and domestic budget in early buying and selling.

On November 28, 2005 the Sensex crossed 9000 to touch 9000.32 points throughout mid-session on the Bombay Stock Exchange at the returned of frantic shopping for spree by using foreign institutional investors and nicely supported by neighborhood operators in addition to retail traders.

On February 6, 2006 the Sensex touched 10003 points throughout mid-session. The Sensex subsequently closed above the ten thousand-mark on February 7, 2006.

On March 21, 2006 the Sensex crossed 11000 and touched a peak of 11001 points for the duration of mid-session on the Bombay Stock Exchange for the first time. However, it turned into on March 27, 2006 that the Sensex first closed at over 11000 factors.

On April 20, 2006 the Sensex crossed 12000 and touched a height of 12004 factors at some point of mid-consultation at the Bombay Stock Exchange for the first time.

On October 30, 2006 the Sensex crossed the paranormal parent of 13000 and closed at 13024.26 factors, up 117.45 points or zero.Nine%. It took one hundred thirty five days for the Sensex to transport from 12,000 to 13000 and 123 days to move from 12500 to 13000.

On December five, 2006 the Sensex crossed the 14000-mark to touch 14028 points. It took 36 days for the Sensex to move from 13000 to the 14000 mark.

On July 6, 2007 the Sensex crossed the mystical parent of 15000 to touch 15005 factors in afternoon alternate. It took seven months for the Sensex to transport from 14000 to 15000 points.

On September 19, 2007 Sensex scaled yet some other milestone throughout early morning exchange on. Within minutes after buying and selling started out, the Sensex crossed 16000, growing via 450 factors from the preceding close. The 30-percentage Bombay Stock Exchange's touchy index took 53 days to attain 16000 from 15000. Nifty also touched a new excessive at 4659, up 113 factors. The Sensex in the end ended with a benefit of 654 factors at 16,323. The NSE Nifty received 186 points to shut at 4732.

On September 26, 2007 Sensex scaled yet any other top throughout early morning change. Within minutes after trading started out, the Sensex crossed the 17000-mark. Some income taking in the direction of the end saw the index slip into crimson to 16887 - down 187 points from the day's high. The Sensex ended with a advantage of twenty-two factors at 16921.

On October nine, 2007 the BSE Sensex crossed the 18000-mark. It took simply eight days to cross 18000 points from the 17000 mark. The index zoomed to a brand new all-time intra-day excessive of 18327. It eventually won 789 points to close at an all-time excessive of 18280. The marketplace set several new statistics consisting of the most important single day benefit of 789 factors at near, as well as the biggest intra-day gains of 993 factors in absolute time period subsidized via frenzied buying after the information of the UPA and Left meeting on October 22 placed an give up to the concerns of an forthcoming election.

On October 15, 2007 the Sensex crossed the 19000-mark subsidized by revival of budget-primarily based shopping for in blue chip stocks in metal, capital items and refinery sectors. The index won the ultimate a thousand factors in only four buying and selling days. The index touched a sparkling all-time intra-day excessive of 19096, and finally ended with a clever advantage of 640 points at 19059. The Nifty won 242 points to close at 5670.

On October 29, 2007 the Sensex crossed the 20000 mark on the again of competitive shopping for by funds in advance of the United States Federal Reserve assembly. The index took only 10 trading days to advantage a thousand factors after the index crossed the 19000-mark on October 15. The fundamental drivers of ultra-modern rally have been index heavy weights Larsen and Toubro, Reliance Industries, ICICI Bank, HDFC Bank and SBI amongst others. The 30- percentage index spurred in the ultimate five minutes of trade to fly-past the critical level and scaled a brand new intra-day top at 20024.87 points before ending at its sparkling last high of 19977. Sixty seven, a advantage of 734.50 factors. The NSE Nifty rose to a file high 5922.50 factors before ending at 5905. Ninety, showing a hefty advantage of 203.60 points.

On January 8, 2008 the Sensex peaks. It crossed the 21000 mark in intra-day buying and selling after

49 buying and selling periods. This was sponsored through high market self assurance of accelerated FII investment and sturdy corporate consequences for the 0.33 area. However, it later fell returned due to earnings booking.

On June 13, 2008 the sensex closed underneath 15200 marks, Indian marketplace suffers with most important downfall from January 21, 2008.

On June 25, 2008 the sensex touched an intra day low of 13731 at some point of the early trades, then pulled again and ended up at 14220 amidst a poor sentiment generated at the Reserve Bank of India hiking CRR through 50 bps. FII outflow continued in this week.

On July 2, 2008 the sensex hit an intra day low of 12822.70 on July 2, 2008. This is the bottom that it has ever been inside the past yr. Six months in the past, on January 10, 2008, the market had hit an all time excessive of 21206.70. This is a awful time for the Indian markets, despite the fact that Reliance and Infosys retain to steer the manner with in general high-quality consequences. Bloomberg lists them as the pinnacle gainers for the Sensex, intently followed by means of ICICI Bank and ITC Ltd.

On October 6, 2008 the sensex closed at 11801.70 hitting the bottom within the past 2 years.

On October 10, 2008 the Sensex these days closed at 10527, 800. Fifty one factors down from the day before today having visible an intraday fall of as large as 1063 factors. Thus, this week turned out to be the week with largest percentage fall in the Sensex.

On Monday October 27, 2008 the bad phase for share marketplace continued similarly and sensex dropped to a brand new low in three years. The Bombay Stock Exchange (BSE) sensex crashed under 8,000 factors to 7,985.43 Monday morning. At 12.45 pm the sensex dropped by 723.13 points, as finances remained competitive dealers. Almost all the sectoral indices moved to the bad sector.

About 3 years again on November 1, 2005, the Sensex witnessed this degree, underneath 8,000 points. However, by using 2 pm the sensex recovered from the day's low of 7,697 to 8229, nonetheless down by 472.50 points from the start of the day. But altogether the sentiment in the percentage market became now not proper and major groups noticed large fall in their proportion charges.

Shares of Reliance Communications and Wipro have crashed 16 in step with cent every to Rs 162 and Rs 198, respectively. Shares of DLF and Grasim have plunged over 14 in keeping with cent each to Rs a hundred seventy five and Rs 906, respectively. Mahindra & Mahindra and Tata Steel shares dropped down 10 in line with cent each at Rs 259 and Rs 161, respectively. Shares of Tata Motors fell by means of 15 consistent with cent to Rs 138. Jaiprakash Associates stocks tumbled down via 14.6

consistent with cent at Rs fifty one. Likewise, National Stock Exchange (NSE) Nifty dropped by 243.75 points to 2340.25 on the same time.

A couple of days back the sensex dropped under nine,000 points and on Monday it slipped underneath eight,000. If the dismal condition of the market maintains for a few more time, it'd badly have an effect on the small and short time buyers.

On May 18, 2009 the result of 15th Indian widespread election Sensex won 2110. Seventy nine points from the preceding near of 12173. Forty two, a document one-day benefit. In the outlet exchange itself the Sensex evinced a fifteen% advantage over the preceding close which led to a -hour suspension in buying and selling. After buying and selling resumed, the Sensex surged again, main to a full day suspension of buying and selling.

After that many strategic investors as well as quick term traders entered into the Indian inventory market as the share values of many organizations in which low. On March 31, the sensex was 17602.39.

On Jan 2010 Market time has been changed from 10 a.M. To 9.00 a.M.

During 2010, BSE initiated dissemination of records through SWIFT platform, launched Fas exchange on Web (FoW) - Exchange hosted platform and EUREX - SENSEX Futures, introduced Mobile-primarily based Trading and Smart Order Routing (SOR) and began Sharia Index.

During 2011, BSE had a tie up with Net magic for co-place facilities. Has main worldwide strategic companions Retched Bourse and Singapore trade. On April 7, 2011, BSE signed a MOU with Osaka Securities Exchange Company Ltd (OSE) to create a co-operative dating for the development of economic markets in India and Japan

REASONS FOR HIGH MARKET CAPITALIZATION, TRANSACTIONS, GROWTH & VOLTALITY:

All those reforms could not have come at a more opportune time. The crowning glory of the first main wave of reforms coincided with the global liquidity overflow. At approximately the same time, the boom of the Brazil, Russia, India, China and South Africa (BRICS) economies captured the creativeness of global investors and buyers. From the flip of the century, cash started pouring into India. It hasn't stopped but. Old-timers analyst like Agarwal, Chokey and Bhan Sali keep in mind that it took almost 20 years (1979-1999) for the Sensex to upward push from 100 to 5000 factors. They consider it changed into the stock market reforms, free economic system and global liquidity that helped the Sensex zoomed from 5000 to 21000 over the next 9 years (1999-2008) Again from (2008-

2009) the sensx uncooked from 21000 to 8000.This is likewise a terrific element as we can see new traders stepping into the Indian proportion market. On March 31, 2010 the sensx became 17602.39.

LATER SCAM BY RAMALINGARAJU:

Satyam Computer on January 07, 2009 plunged into a deep disaster, as B. Maralinga Raja resigned as its Chairman after admitting to most important monetary incorrect-doings and saying his closing-ditch efforts to fill the "fictitious property with real ones" thru Mayas acquisition failed. Inflated (non-existent) coins and financial institution balances of Rs 5,040 crore (as in opposition to Rs 5,361 crore contemplated in the books) it became a time when worldwide monetary melt down impacted Indian stock market.

The beleaguered IT large, already below scanner over the aborted acquisition of firms promoted through the Chairman's own family, received a rude shock days ahead of its January 10 board assembly, with Raju stepping down along with his brother and Managing Director B Rama Raju. "It became like using a tiger, no longer understanding how to get off without being eaten," Maralinga Raju said in a letter to Satyam's board of administrators, in which he listed fundamental economic wrong-doings over the years to inflate the profits.

While Raju recommended DSP Merrill Lynch be entrusted the venture of "quickly exploring a few merger possibilities," the employer informed the stock exchanges that the investment banker has terminated its engagement with Satyam. Noting that every try and eliminate gaps in stability sheet, basically resulting from inflated profits over numerous years, Failed, Raju said: "I am now prepared to subject myself to the laws of the land and face outcomes thereof."

Low percent of promoter fairness within the business enterprise, in which 4 independent directors resigned within the last two weeks over the purchase FIASCO, could lead to a takeover and divulge the gap, he said inside the letter, also despatched to regulator SEBI. The promoters' share in Satyam has now dipped to simply over 3 in step with cent that too is pledged with creditors. Shares of Satyam plunged through over 40 according to cent at once after the declaration of resignations, necessitating an overhaul of the board and control. At last Ramalinga Raju becomes jailed and the agency became governed by means of the human beings from NASSCOM. In an open auction Tech Mahindra took over the Satyam computers and named as Mahindra Satyam.

CURRENT STATUS OF BOMBAY STOCK EXCHANGE(BSE):



Today, BSE is the world's number one exchange in the world in terms of the number of listed companies (over 4900). It is the world's 5th most active in terms of number of transactions handled through its electronic trading system. And it is in the top ten of global exchanges in terms of the market capitalization of its listed companies (as of December 31, 2009). The companies listed on BSE command a total market capitalization of USD Trillion1.28 as of Feb, 2010. It is number one exchange in the world in terms of the number of companies listed. As of December 2010, BSE has over 5,034 listed companies and over 7700 scraps. The BSE Index, SENSEX, is India's first and most popular Stock Market benchmark index. Exchange Traded Funds (ETF) on SENSEX, are listed on BSE and in Hong Kong. Futures and options on the index are also traded at BSE.

BSE CONTINUES TO INNOVATE:

Became the primary country wide change to launch its website in Gujarati and Hindi and now Marathi

Purchased of Marketplace Technologies in 2009 to beautify the in-house generation

Improvement competencies of the BSE and allow quicker time-to-market for brand new products

Launched a reporting platform for corporate bonds christened the ICDM or Indian Corporate Debt Market

Acquired a fifteen% stake in United Stock Exchange (USE) to pressure the development and growth of the foreign money and hobby rate derivatives markets

Launched 'BSE STAR MF' Mutual fund buying and selling platform, which enables exchange participants to use its present infrastructure for transaction in MF schemes.

BSE now offers AMFI Certification for Mutual Fund Advisors via BSE Training Institute (BTI). Co-location facilities for Algorithmic buying and selling. BSE also correctly released the BSE IPO index and PSU internet site. BSE revamped its internet site with huge variety of new capabilities like 'Live streaming prices for SENSEX agencies', 'Advanced Stock Reach', 'SENSEX View', 'Market Galaxy', and 'Members'. Launched 'BSE SENSEX MOBILE STREAMER'. With its culture of serving the network, BSE has been undertaking Corporate Social Responsibility (CSR) tasks with a focal point

on Education, Health and Environment. BSE has been awarded through the World Council of Corporate Governance the Golden Peacock Global CSR Award for its projects in Corporate Social Responsibility (CSR).

AWARDS FOR BSE:

The Annual Reports and Accounts of BSE for the 12 months ended March 31, 2006 and March 31, 2007 were provided the ICAI awards for excellence in financial reporting. The Human Resource Management at BSE has gained the Asia - Pacific HRM awards for its efforts in business enterprise branding via skills control at work, health management at paintings and excellence in HR through technology

BSE IN 2020:

Drawing from its wealthy beyond and its similarly robust overall performance within the recent times, BSE will hold to remain an icon inside the Indian capital marketplace. One can't however help surprise to look the Sensex scale 40,000 by using 2020 by using increasing home and foreign buyers & growing variety of transactions & increasing marketplace capitalization.

FUTURE OF INDIAN STOCK MARKET IS DEPENDENT ON THE SE3 PARAMETERS:

Future increase of the Indian economy, annual inflation, and productiveness related enhancements; The inflow and outflow of overseas institutional funding; and Any movement of price-profits ratios.

HOT MONEY AND HOT SCENARIO'S : Of route, the future upward thrust and fall of the stock markets is almost not possible to expect specially due to the fact even pro buyers exchange as a lot using their feelings (and the 'momentum' within the marketplace) as the underlying basics.

Potential of a double-dip recession or stagflation throughout 2010-12 in a few advanced countries: Both recession and stagflation in those economies are probably to have a ripple impact in India with a great out-flow of FII cash, an ordinary bad sentiment with admire to rate/earnings ratios inside the Indian inventory markets, and an inability of Indian companies to export their items and offerings to these advanced economies.

FII cash flooding the Indian stock marketplace: The inflow of FII cash at some stage in April-December 2009 became due to the fact: FIIs bear in mind India, China, and different emerging markets as regions of massive increase and wherein wealth could be created for the duration of the following decade;

The hobby quotes that crucial banks are charging in lots of advanced economies (e.G., the US) is

close to 0 and consequently it's miles less expensive for FIIs to borrow cash in their domestic-nations and then invest in rising nations like India; andThe inventory markets in the US and other advanced nations may have already peaked at the least for now.If those reasons hold to preserve for the following six to one year and especially if the stock markets in developed economies maintain to transport sideways or downwards, FII money can flood the Indian stock market once more, whose



inability to absorb so much money will make it extremely risky. The fundamental problem with this 'hot money' is that it may cause large imbalances

MAIN REASONS FOR INDIANS TO CK MARKET UP TREND:

POLITICAL STABILITY: This is the single maximum essential cause for stock marketplace crash. Investors specifically FIIs like political stability to invest. Even though political turmoil will have any sizeable impact at the boom of companies, inventory markets continually undoubtedly reply to political stability.

RBI DECISION: During very much less inflation or deflation RBI will reduce hobby price by using lowering CRR and is principal high quality news for markets.

POSITIVE NEWS: When markets rose too slowly with a protracted span, unmarried high-quality news will create huge extent of cash getting into inventory markets.

GOVERNMENT POLICIES: Government policies hardly ever guide businesses over human beings, at some stage in that time we may additionally see massive cash inflow into stock markets.

FOREIGN INSTITUTIONAL INVESTORS (FII's): FII's influx into inventory market will make the U. S. A Have lot of overseas coins reserve subsequently making the inventory fees excessive.

NO OR LESS ECONOMIC GROWTH: The business homes and companies does now not like no or less economic boom therefore lead to financial increase by means of growing capital and production.

NO PROFIT BOOKING: Shrewd investor usually e book income simply earlier than each crash whether or not it's far in 2000 or 2006. Greedy buyers always lose money in each crash. Decide yourself whether you're greedy or now not?

US MARKET: US fed fee cut created euphoria among traders however this honestly showed advantageous effect on the stock marketplace on quick term foundation & not on long term foundation.

MAIN REASONS FOR INDIAN STOCKMARKET DOWNTREND:

POLITICAL INSTABILITY: This is the single maximum major cause for stock market crash. Investors particularly FIIs by no means prefer political instability and they will book earnings and visit any other united states of America. Even although political turmoil will have any massive effect on the boom of businesses, stock markets constantly negatively reply to political instability.

RBI DECISION: Don't count on tremendous information from RBI. No government will allow elevating inflation by way of reducing interest charge cut just before elections. RBI will really increase CRR and is essential negative news for markets.

NEGATIVE NEWS: When markets rose too high inside a short span, single bad information will create havoc in stock markets. Markets discounted negative news like crude rise, rupee appreciation, inflation issues in U.S after fed fee reduce and sluggish down in financial boom and many others. How long traders will discount these types of bad information?

GOVERNMENT POLICIES: If mid-term polls are inevitable, Government prefers human beings over organizations. Popular rules will slow down momentum that allows you to negatively impact investor's sentiment toward India.

FOREGIN INSTITUTIONAL INVESTORS (FII's): FIIs have been primary culprits for August 2009 crash and October 2009 crash. Just see and find out how they may be cashing money from every upward thrust?

ECONOMIC GROWTH: The business homes and agencies does not like very excessive economic boom subsequently cause monetary down trend with the aid of lowering capital & manufacturing.

PROFIT BOOKING: Shrewd investor usually book profits simply before every crash whether it's far in 2000 or 2006 or 2009 Greedy traders always lose cash in every crash. Decide yourself whether or not you are grasping or now not?

US MARKETS: US fed fee reduce created euphoria among traders but this may in reality display terrible effect at the long time on credit score disaster. It dealt with persistent ailment in acute manner. Instead of curing root reasons of credit score concerns, it went in superficial way in an effort to motive inflation strain in America and severely effect financial system.

WHY INVESTORS INVEST IN INDIAN SHARE MARKET?

An investor does now not require lots of cash to start investing in Indian share market not like

shopping for belongings and paying off a month-to-month loan.

Time of buying and selling involved spans from small to huge. One can exchange for a short period of time or even a prolonged span. It helps you to see 'speedy' cash if the marketplace is in sturdy mood and facilitates in fast liquidation. Even if the marketplace is in negative side it'll get better quickly to advantageous facet.

ESSENTIAL RULES FOR INVESTORS INVESTING IN INDIAN SHARE MARKET:

Whenever percentage market is at its crest it's far certain to dip in some unspecified time in the future of time.

If the percentage marketplace is down, it will most effective boom if there are not any outside factors influencing it.

Unlike the common belief of making an investment in booming proportion marketplace, it's miles recommended not to block your difficult earned money in already flourishing Sensex and NIFTY. It is better to await marketplace backside trend and then buy shares at lower value in an effort to alternate it later.

The extraordinary time for funding is while the market is low retaining the basics in attention.

Seek the recommendation of professionals who will not handiest provide you suggestions on quality funding options but also on favorable market situations. Update yourself at the triumphing market situations Whenever marketplace witness an upward trend usually purchase first and then promote the securities, and when the market dips constantly buy later and promote first.

CONCLUSION

Consider promoting the shares which you have bought long term again and are indicating profits. Even if they're not willing to offer you large gains then its time to dispose of them are invest your cash in efficient schemes.

Diversify your shares purchase making an investment in one-of-a-kind sectors. Also take into account investing in equity funds and to stabilize your fairness investments invest a component in constant income alternatives just like the bonds, public provident fund, National financial savings certificate and submit workplace deposits. You also can do not forget a balanced or debt fund when you have confined finances.

Do not bear in mind the stocks primarily based on layman's recommendation. Stride cautiously and

spend money on stocks which you are at ease investing in. Judge the company by using its beyond information and verify it individually. Take the advice of the fund manager who manages that precise fund. If you have got allotted extra than half of of your investments in equity, then persist with your plan. Do no longer surpass that pre-determined perimeter and accept as true with in the performance of the market.

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