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Development Financing in India - Problems, Possibilities and Perspective

Speech

G.N. BAJPAI*

Good evening Ladies and Gentlemen

I consider it a great privilege for me to deliver the 5th S.S.Nadkarni Memorial Lecture as it enables me to pay my homage to one of my most illustrious predecessors in SEBI and a distinguished son of India, Mr. S.S. Nadkarni. It is also a great honour for me because of the illustrious predecessors who have spoken in this lecture series in the past.

Mr. Nadkarni was simply the doyen in the field of developmental financing in India. I would narrate a joke which I heard from a close friend and which indicates the immense contribution of Mr. Nadkarni to development financing in India. It is like this : once the prince of Brunei was travelling in an Air India flight. He got enamoured by one of the air hostesses. He wanted to make her his exclusive hostess. The Captain of the flight explained to the Prince that he could not buy her because she belonged to Air India. Then the prince desired to buy Air India. He was explained that he could not buy Air India as it belonged to Government of India. Then the prince desired to buy Government of India. He was explained that he could not buy Government of India as it belonged to Mr. S.S. Nadkarni and the Industrial Development Bank of India of which Mr. Nadkarni was Chairman.

To say the least: Mr. Nadkarni led the development financial institutions (DFIs); perfected the art of development financing; held several key positions in the Indian financial sector, including the Chairman of the Securities and Exchange Board of India; established many great institutions, including the National Stock Exchange of India Limited; thought beyond the confines of known boundaries to search incisive solutions to the emerging issues in the financial sector. Not only the economy and the industry benefited from Mr. Nadkarni, I have personally benefited a lot from my several interactions with Mr. Nadkarni. Over and above these, Mr. Nadkarni is remembered as a fine human being.

Financing development of India was Mr. Nadkarni's obsession. It is therefore apt that I speak on 'Development Financing in India - Problems, Possibilities and Perspectives', which was very close to the heart of Mr. Nadkarni. Development financing is a very broad term; it essentially means financing for the overall development of an economy. It generally takes two forms. One is the financing of infrastructure and human and social capital, which is generally made by the governments - state and central - and multilateral funding agencies with the objective to ensure balanced development of the country. The imbalance in developments in the country is a challenge for the governments; if not addressed effectively and in time, it would strain federal fabric, in case of India. The other is the financing of long term risk capital to projects by DFIs, often at subsidized cost. The governments support and promote such financing by DFIs. This encourages entrepreneurs to experiment with their innovative ideas and spread entrepreneurial culture in the society, while generating wealth at a faster pace. I would focus on the second form of development financing, that is, the role of DFIs, which Mr. Nadkarni used, to finance development, in the changed context. I am using this lecture to make out a case for reorientation of the working of the DFIs to meet the challenges of the changed environment for their survival and growth. If,

**Speech delivered by Shri G.N. Bajpai, Chairman, SEBI at the fifth S.S. Nadkarni Memorial Lecture, organized by Investment Research and Information Services (IRIS) at Mumbai on March 4, 2004.*

however, they cling with both arms to the earlier environment where they prospered, as some of them seem to be doing now, and refuse to believe the weightiest proof against it, they would fall into snares of delusion.

Genesis of DFIs in India

At the dawn of the political independence, the major challenge before the architects of modern India, along with empathically dealing with the pangs of divided nation, was the economic emancipation of the teeming millions. They nurtured a thought : "Freedom would be a mockery, if we are unable to hold and enjoy it, and we can do neither unless we build a strong superstructure of economic development on the bricks and mortars of industrial, commercial and agricultural enterprises." The importance of finance could hardly be overemphasized in such a developmental process, as they say, "the finance is the oil of wheels, the marrow of bones, the blood in the veins and the spirit of all trade, commerce and industry".

The challenge was how to arrange such huge finance required for planned economic development? The commercial banks, patterned on the British model of banking, confined themselves to financing working capital requirements of trade and industry. They did not have the expertise and interest to take long term exposure in a project. The capital market was in a nascent stage and it was not possible to raise long term capital of the order required to meet the national planning. In this background, DFIs were conceived as public or quasi-public non-bank financial intermediaries with the main objective of providing medium and long term finance to the entrepreneurs to convert national plans into projects, which commercial banks and/or capital market either could not or were unwilling to do.

The first step towards building up a system of DFIs was the establishment of the Industrial Finance Corporation of India (IFCI) in 1948. It was mandated to provide medium and long term credit to corporate sector. Later, going by the sub-continental size of the country, and also to accelerate the pace of development, it was decided to set up regional entities to cater to the needs of small and medium enterprises. Accordingly, the State Financial Corporations Act, 1951 was enacted to establish State Financial Corporations (SFC) with the objective to support entrepreneurs at the regional level. Yet another type of state level institution, namely, State Industrial Development Corporations (SIDCs)/State Industrial Investment Corporations (SIICs) were established in 1960s for promoting projects in cooperation with private sector. Alongside, investment institutions like Life Insurance Corporation (1956), Unit Trust of India (1964), and General Insurance Corporation (1971) and its subsidiaries came into existence.

However, the need for effective mechanism to coordinate and integrate the activities of the various financing agencies was felt. This led to the birth of the Industrial Development Bank of India (IDBI) in 1964 as a coordinating agency for all existing DFIs. It was also given special responsibility to provide technical and administrative assistance for promotion, management and/or expansion of industries by identifying and filling vital gaps in the industrial structure.

In the process, some specialized institutions like Industrial Reconstruction Corporation of India (1971), National Housing Bank (1980), Export and Import Bank (1982), National Bank of Agriculture and Rural Development (1982), Infrastructure Development Finance Corporation (1997) were established by Government to give impetus to the sectoral development.

Thus, first 50 years of post independence era witnessed creation of an extremely vibrant set of DFIs. They were given a variety of supports and incentives to enable them to extend project finance at concessional rates. They competed neither among themselves as the areas of operation were earmarked for each of them not with banks, which were extending working capital finance.

DFIs, as elaborated above, comprising of 15 national and 47 state level institutions have played a catalytic role in promoting industrial development in the country. Although, primarily engaged in providing medium to long term financial assistance to industry in the form of project finance, these institutions, over the years, have rendered a wide range of services including providing risk capital, underwriting of issues, preparing and evaluating project reports, galvanizing balance in the industrial development, disseminating technical advice and market related information and services, refinance etc., in tune with changing national planning objectives. Specialized institutions like Export and Import Bank of India, National Bank for Agriculture and Rural Development and National Housing Bank have also made significant contributions in the areas of export and import, agriculture and real estate business respectively.

The DFIs have spurred balanced industrialization and economic growth in the country over the last half century and have substantially fulfilled their initial mandate. If we go by the numbers, the cumulative sanctions and disbursements by these institutions as on March 31, 2003 stood at Rs. 8,50,222 crore and Rs. 6,15,011 crore respectively. 78% of their sanctions have been made for private sector units.

Challenges before DFIs

Today, DFIs are passing through a tough time, attributable to both internal (their own operations) and external (change in the overall economic environment) factors.

Internal factors are more serious. For example, they have been accustomed to operate in a protected static environment. They find it difficult both in terms of attitude and capability to operate in the unshielded dynamic environment. As stated earlier, they cling to the earlier environment and refuse to accept the reality of the new environment. As a result, delusion sets in which makes them more rigid and the vicious circle operates.

These institutions were primarily created to provide certain kinds of credits to certain kinds of clients with specific disbursement targets. Accordingly, they have been consistently focusing on disbursements to meet their targets without being adequately concerned about the impact and value creation of their financing. Further, lack of concern and coordination on monitoring of and recovery from the financed projects has resulted in the huge non performing assets. Lack of diversification as a consequence of focus on some specific sectors led to excessive exposure to certain green field projects.

Mixed ownership of DFIs by the government and public, coupled with their social objectives, did not provide adequate incentives for performance. As a publicly held institution, they now have to consistently labour about profitability, stakeholders' values, flexibility in business model, corporate governance, accountability etc. Further, as government owned institutions, they have to meet aspirations of the taxpayers who are more conscious than ever before and demand value creation propositions in return for the money doled out by them. DFIs, with their compartmentalized rigid roles, are not able to keep pace with these aspirations.

The external factors impinge on their operations adversely. First, there has been sea change in the operating environment. The DFIs commenced their journey by providing medium to long term, cost efficient project financing to the entrepreneurs in the country. However, they had little flexibility in terms of choosing for financing the business mix. General slow down of economy and global competition made situation worse as various businesses, financed by them, became grossly uneconomical. With the opening of the economy and declining interest rates, commercial banks joined the race by financing medium to long term requirements of the industries backed by low cost deposits and thus became direct competitors to these institutions. Non Banking Finance Companies (NBFCs) also appeared in the scene and started providing medium to long term finances to the industries. These commercial banks and NBFCs scored over the DFIs in terms of their geographical network, infrastructure, client base and flexibility in operations. They also provided comfort to the clients by acquiring the status of one stop shop through meeting their both long, medium and short term financial requirements. They enjoy the economies of scale and scope and offer competitive cost structures to their clients. This made the current business model of DFIs increasingly unviable.

The competition also came from the securities market. The series of profound reforms in the securities market since the 1990s made it safe and efficient and an attractive source of finance. Coupled with a reassuring regulatory framework, it became easy for corporates to directly raise medium and long term funds from the capital market at market determined rates. Focus on profound issues like good governance, transparency and disclosures by corporates redefined the business paradigm and made these corporates more acceptable to the Indian investors as a vehicle for directly parking their investible/disposable income. Further, over a period of time, corporates were allowed to access foreign markets through debt and equity requirements - short term and long term borrowings and risk capital. Government also simplified norms for foreign direct investment. Entry of venture capitalists – domestic and foreign – in the country facilitated availability of the risk capital to the new generation entrepreneurs. Another important change is in the profile of participation of private sector in various projects including infrastructure building. Participation of the private sector in ports, power, telecom, gas and oil sectors has gone up substantially over last one and a half decades. With more of private sector funds faring the tray, the demand for the funds from DFIs is going down. All these developments contributed substantially to disintermediation and posed a challenge to the traditional business model of DFIs.

Innovation in financial markets in the area of mobilization of funds is yet another important factor, which sparked dramatic shift in the market structure. Today, there is market and also appetite for any kind of project and for any kind of instrument. Innovative means of financing like securitization have redefined the whole opportunity zone. The road tolls, bridge tolls, tax revenues, municipal taxes and various other future streams of cash flows are being securitized. From the perspective of financial innovations, Indian market definitely has become fairly mature, which brings about paradigm shift in the development financing.

Another interesting development is the availability of all kinds of risk management products (credit, interest rates, equity) in the country. Earlier problems could get aggravated because markets did not afford possibilities of dealing with risks. Today, availability of risk hedging mechanism puts Indian economy on a different platform. Market participants are more comfortable taking risk as they can jettison the risk in excess of their appetite at appropriate times.

Simultaneously, the authorities withdrew the protective shield gradually from the DFIs. The ownership of the DFIs got diluted; concessional finance dried up; tax concessions were withdrawn, access to captive clientele reduced; and lending and borrowing at market determined interest rates became the norm. These made the traditional business model of DFIs unsustainable.

Possibilities and Perspectives

I must clarify that I am not trying to paint a gloomy picture for DFIs; nor even vicariously indicating that DFIs have become irrelevant in the present context. Rather I would emphatically say that the need for development financing has increased manifold as we now aspire for global standard of living. We started with economic emancipation in 1950s; then we wanted basic needs of life. But we now want an enviable quality of life, which requires huge investments in world class infrastructure and social and human capital. The needs of finance of the Indian economy, both in terms of aggregate demand satiation and productivity enhancement, are massive. The need based ambitious projection of 8% growth in GDP in the 10th five year plan, I would imagine, would necessitate investment of something over 15 trillion Indian Rupees in the next five years, most of which would be in the nature of long term capital, both risk and term loans. Notwithstanding the growing integration of the Indian economy and vibrancy of securities market, the DFIs have to shoulder a higher responsibility – finance much more than they have being doing so far. All I am saying is that development financing is undergoing a change and the institutions in the game have to reorient not only strategies but also the structure as well to remain relevant in the changed environment.

Different possibilities can be explored to rejuvenate the existing DFIs. They may rejuvenate themselves by casting off the current structural settings, both software and hardware, and adopt a new face, which is able to deliver values to the market place. Some of the DFIs have already responded to the emerging opportunities and challenges, particularly post liberalization in a deregulated industrial and financial sector environment. They have introduced several new financial products and services, both fund and fee based. Some of them have expanded their reach both geographically and product-wise to operate in other opportunity zones such as commercial banking, mutual funds, custodial services, broking, venture capital financing, infrastructure financing, credit rating etc. They are no more a mere project finance agency.

Another possibility is reverse merger of the DFI. Industrial Credit and Investment Corporation of India (ICICI) merged with its wholly owned subsidiary commercial banking entity, ICICI Bank to create first new generation financial super market in the country, offering wide range of financial products under one roof. This business model offers ICICI a competitive advantage over its peers in terms of economies of scale and economies of scope. It is also able to better leverage on its infrastructure, competence and customer base. It also created an experience for its customers by simplifying their life on the lines of merchandise super market.

Here, let me mention that rejuvenation of DFIs is not an Indian phenomenon; it has been happening all over the world. For instance, Development Bank of Singapore, which was established in 1968 with dominant government ownership to pursue the government strategy for Singapore's economic development, initially focused on term lending and equity investment in industry but soon realized that for sustainability of business, it needed to expand its wings. Accordingly, it entered into commercial banking, real estate development, insurance and consulting services directly or through the subsidiary route. In short, DBS repositioned itself as a financial conglomerate or Universal Bank. Similar is the case with Korean Development Finance Corporation (KDFC), a private development bank of Korea, which was established in 1967. It originated with main focus of facilitating export and import related business in the country with main activity of re-lending of forex borrowed abroad. It worked well for a decade or so. But, with the changing business environment in Korea, it discovered that it needed a change in its profile. To meet the challenge, it transformed itself into a diversified multi functional industrial bank covering the whole range of financial services and facilities. Another example at the global level is the KFW in Germany. This bank was established for post war construction of German industry. This has gradually diversified into long term export financing, bilateral assistance and financing for Small and Medium-sized Enterprises, business start-ups and the self-employed.

Whereas, in the short duration, the new model of ICICI, DBS, KDFC, KFW may breathe life into these institutions, it is my considered view that in the medium and long term a need would arise to re-examine this structure both for its usefulness and sustainability. The battle between bundling and unbundling of financial services would continue to wage for supremacy and the victory will depend on the value delivery. I think, product innovation, intermediation sophistication, entrepreneurial skill management will provide significant space for development financing in the whirlpool of financial integration in Indian context.

DFIs could consider adopting the following three dimensional approach to remain relevant in the changed context.

First, specialized DFIs such as NABARD, EXIM Bank etc. are dedicated institutions and are addressing a segmented need. Their relevance has not yet reduced despite competition from securities market and commercial banks, which do not yet have skills to service these specialized segments. But these institutions, to remain significant/congruous and economically viable in the long run, need to focus on competence building and efficiency creation in their operations. They need to act as catalysts and facilitators in the market through escalated competencies. Indeed, they should become the business partners and help business growth. The national level institutions like IDBI, IDFC etc., may be left free to choose their own niche purely on commercial grounds. Competition and commercial interest should govern the future of these institutions. Further, measure of their performance should be the impact and not the disbursement targets. Disbursement targets and making funds available to virtually any one on non-competitive basis is not a great economics. Unless there is competition among the fund seeking projects, the best cannot come out. Therefore, to ensure efficient allocation of scarce national resources and create efficiency at the national level, it is important that financing becomes market driven so that projects get funds allocated purely based on their competitive value creating strengths. In fact, the business model of DFI, hereafter will remain in a melting pot, hence it must have built-in features of roll on to marginal adjustment at intervals. The business model should also have core business sustainability plan and retention and ploughing back of profits of good time for the days of trials and tribulations.

Second is the change in the mind set of business community with regard to the definition of development financing. Development cannot remain the responsibility of government alone. It must transit to public and private partnership to finally land at the genius of private commercial endeavour. Eventually, the market forces must take over with state intervention for emergencies. Of course, as of now, both government and private funds are required in infrastructure building. All financial intermediaries contribute to the development of the market in direct or indirect manner. Therefore, every one including banks, mutual funds, insurance companies, venture capital funds etc. will have to shoulder some responsibility of development. I am, indeed, talking about a new definition of development financing. It is all about sharing responsibility to grow together as a country. My sense is, that would have much larger impact than some dedicated institutions doing work in the area. We also need to strategically invite foreign capital in infrastructure building by imaginatively creating vehicle/vehicles and consciously deciding on the quantity and quality of the capital.

Third and the most important is the realization that the environment has changed and the DFIs have to change themselves. They need to invest heavily on their human capital to remain fit and deliver in the changed environment.

The ability to appraise projects which in the new setting are going to demand massive financial involvement ranging from Billion to Trillion rupees is a specialized skill and requires years of slog and involvement by and in the human resources. The pay off is rewarding but in the long run. The scalability of competence in particular in the human resources in a DFI is likely to become a critical factor in the relative relevance and economic sustainability of the organization because demands will vary with shades of focus and imminence of imperatives of economic development. The hedging of risks in the trade off between Risks-Returns in developing these critical skills can possibly be organized by the ease with which organizations can pursue the processes of bundling and unbundling of solutions which cannot be confined to meeting financial needs but will extend to helping develop sustainable revenue and business models for the entrepreneurs seeking expert interventions from DFIs.

Let me conclude by saying that in an integrated world, where competencies determine the survival, it would be essential to strengthen existing competencies and create new ones, which are compatible with the existing ones as obsolescence is seeping in at an amazing speed. The horizon of competencies' development will extend far beyond mere appraising projects, assessing financial requirements providing tailored solutions and would encompass how to build sustainable business model and refashion revenue models in the areas of industries sought to be covered for assistance. This adds to the depth of capability compass and need for speed in skill upgradation. In a world, where nothing but change is eternal, development financing also need to change.

Further, as construction, deconstruction and reconstruction of various institutions in Indian financial markets is evident, rethinking on the existing business models of the so called DFIs and refashioning of development financing on a continuing basis is more important to stay relevant in the fast paced changing environment of the Indian Economy.

Thank you very much for your patience. Thank you.

Understanding the Securities Laws (Amendment) Ordinance, 2004

M.S. SAHOO*

Article

The Securities Laws (Amendment) Ordinance, 2004 was promulgated on 12th October 2004 to insert/amend provisions in the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Depositories Act, 1996 (DA) to: (a) enable demutualization and corporatisation of the stock exchanges, (b) fill up certain identified regulatory gaps such as units of mutual funds (MFs), delisting of securities, clearing corporation, for which there were no statutory provisions, (c) allow a broker of one exchange to trade with that of another so as to consolidate the market of the small exchanges, and (d) strengthen the penal framework for violation of securities laws. This paper is an attempt to understand these provisions and suggest minor changes, which could be incorporated in the Bill, to make these easily implementable.

A. DEMUTUALISATION OF EXCHANGES

Historically the exchanges were formed as 'mutual' organisations. They are generally "not-for-profit" and tax exempted entities. The trading members who provide broking services, also own, control and manage such exchanges for their common benefit, but do not distribute the profits among themselves. In contrast, in a "demutual" exchange, three separate sets of people own the exchange, manage it and use its services. The exchanges frame and enforce rules, which may not always further the public interest (interests of investors and society) and the private interest (interests of trading members) simultaneously. Theoretically public interest gets precedence in a demutualised exchange while private interest gets precedence in a mutual exchange in formulation and implementation of the rules. As the self (private interest) sometimes gets precedence over regulation (public interest), mutual exchanges do not offer an effective model for self-regulatory organisations. Besides addressing this malaise, the demutualisation offers several advantages. The limitations of a mutual structure has been realised time and again by the exchanges and the regulators. Recent happenings, particularly the 2001 stock market scam, made it clear that failure of the 'mutual' stock exchanges to resolve conflict of interest satisfactorily contributed to undesirable transactions in securities, which the SCRA aims to prevent. In order to address the malaise, the Finance Minister in March 2001 proposed corporatisation of stock exchanges by which ownership, management, and trading membership would be segregated from each other. The Joint Parliamentary Committee on the Stock Market Scam called for expeditious corporatisation and demutualisation of the stock exchanges. The implementation of this proposal, however, required certain amendments in the SCRA. The Securities Laws (Amendment) Ordinance, 2004 proposes these amendments.

The SCRA permitted different structures for stock exchanges. That is why some exchanges are association of persons, some are company limited by shares, and some others are company limited by guarantee. Since the law permitted any structure of organisation for a stock exchange, it was not possible to mandate a particular structure (corporate form) for all exchanges. Similarly, the SCRA did not prohibit brokers from owning and managing an exchange. That is why most of the exchanges are mutual exchanges which are owned

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and managed by brokers. Only two exchanges, on their volition, have adopted demutual structure. Since the SCRA permitted either structure, it was not be possible to mandate only demutual structure for all exchanges. In order to mandate these, the Ordinance has amended the SCRA to specify that all exchanges, if not already corporatised and demutualised, shall be corporatised and demutualised.

The process of demutualisation involves segregation of ownership and management from the trading rights of brokers. However, the process of corporatisation involves offering shares to public, including brokers. It is possible that the brokers subscribe for the shares and in terms of their rights under the Companies Act, get themselves elected to the Board of Directors. It may so happen that a stock exchange has only broker shareholders in the general body and broker directors in the governing body. Thus, even though an exchange is corporatised, it would not be demutualised, as the same set of people would be owning and managing the exchange and also trading on the exchange. The Ordinance, therefore, restricts the participation of broker-shareholders in the general body as well as in the management of the exchange to ensure that the corporatised exchange is really demutualised.

The Ordinance makes it mandatory that all stock exchanges, if not corporatised and demutualised, shall be corporatised and demutualised on and from the appointed date so notified in the official gazette by SEBI. It obligates the non-corporate and mutual exchanges to submit within such time as may be specified by SEBI a scheme for corporatisation and demutualization to SEBI for its approval. The scheme should provide for issue of shares and provision for trading rights, restriction on voting rights, and transfer of property, business and employees etc. SEBI may approve the scheme with or without modification if it is satisfied that it is in the interest of trade and also in the public interest. If a scheme is approved, it shall be published immediately by SEBI in the official gazette and by the Exchange in the newspapers. On such publication, the scheme shall have effect and shall be binding on all persons and authorities. SEBI shall not approve any scheme of demutualization and corporatisation if the issue of shares for a lawful consideration or provision of trading rights in lieu of membership card of the members of an exchange or payment of dividend to members is proposed out of any reserves or assets of the exchange. While approving the scheme, it may, by order, restrict (a) voting rights of the broker shareholders, (b) the rights of shareholders or brokers to appoint the representatives on governing board of the Exchange, and (c) the maximum number of broker directors on the governing board, which shall not exceed one fourth of the total strength of the governing board. Such order shall be published in the official gazette. Within 12 months of such publication, the stock exchange concerned shall, either by fresh issue of equity shares to the public or in any other manner, as may be specified by the regulations made by SEBI, ensure that at least 51% of its equity shares is held by public other than shareholders having trading rights. SEBI may extend this period by another 12 months in public interest. SEBI may reject a scheme if it is satisfied that it would not be in the interest of trade and also in the public interest, after giving a reasonable opportunity of hearing to all the persons and the exchange concerned. Any person aggrieved by an order of SEBI approving/rejecting the scheme can prefer an appeal before the Securities Appellate Tribunal (SAT). If an exchange is not corporatised and demutualised or fails to submit a scheme for the same or the scheme is rejected by SEBI, the recognition granted to such exchange shall stand withdrawn. The central government shall notify such withdrawal of recognition in the official gazette.

The Ordinance envisages that entire assets/reserves of the exchange shall remain with the exchange even after demutualization. The shareholders/brokers can get full value through divestment of their holding only after the exchange is demutualised. They cannot get any value if the exchange is not demutualised. This is a tremendous incentive for brokers to go for demutualization.

B. REGULATORY GAPS

In view of so many regulators and so many statutes governing securities market, it is quite natural that there are a few regulatory gaps. The Ordinance seeks to remove a few such regulatory gaps.

a. Units of Mutual Funds : Units of MFs resemble securities. They represent the interest of the unit holder in the specific scheme just as securities represent the interest of the holder in the issuer. The unit holder has similar rights as a security holder has on the future performance of any underlying asset or group of assets. Special kinds of units (units of assured return schemes), which represent the rights of investors on a fixed income flow over the future years or a fixed maturity value at the end of a specified period, are similar to debentures issued by companies. The units are issued, dematerialised, listed, and traded on exchanges in a manner similar to any other security. These are transferred from one holder to another or sold back to the issuer, at pre-specified or market determined values, just like shares, debentures and other securities are. The holders of units and securities have the same need for safety, liquidity and return. Despite such close similarities between units and securities, they were not explicitly treated legally at par. While the trading of securities issued by corporates is governed by SCRA and regulatory framework developed thereunder, trading of units were not subject to similar regulatory framework. In fact, trading of units was not subject to any regulatory framework. This presented a case of regulatory gap and this is one of the reasons why the secondary market for units has not developed appreciably. The easiest way to develop the market for units of MFs and protect the investors investing in them was to consider the units to be securities so that the regulatory framework applicable to trading of securities would also apply to trading of units and SEBI which has the responsibility to protect the interests of investors in securities, can protect the interest of holders of units of MFs also. Since the jurisdiction of SEBI is limited to securities market and the units of MFs were not explicitly recognised as securities in law, the actions of SEBI in protecting the interests of investors in units of MFs and developing a market for them was being challenged before the courts of law. In an appeal before SAT, an appellant contended that he was not covered by the Rules as he was not dealing in securities, but in units of MFs which were not securities and hence the SEBI had no powers, authority or jurisdiction to conduct any enquiry or impose any penalty on him. While disagreeing with this, the SAT considered the units of MFs to be securities in view of the object and purpose underlying the SEBI Act. This judicial pronouncement needed to be codified in law. The Ordinance, therefore, expanded the definition of 'securities' to include units or any other such instrument issued to the investors under any mutual fund scheme.

b. Delisting of Securities : Listing and delisting are two sides of the same coin. There is a substantial body of law that governs listing. The Companies Act makes it mandatory for a company issuing shares to public to list its securities on a stock exchange. The SCRA obliges the company to comply with the conditions of listing. It also allows a company to prefer an appeal before the SAT if a stock exchange refuses listing. The SCRA prescribe requirements for listing on a stock exchange. It also regulates suspension and withdrawal of trading. So much of care and concern about listing; there are provisions about suspension of listing in statutes, rules and regulations. Unfortunately, delisting did not find place in any statute, rules or regulations. It was so far being regulated through a circular of government/SEBI, and recently by the guidelines of SEBI. Since the delisting is at least as important as listing, it was necessary that both have same level of legal backing.

Since no such statutory provision existed, doubts were raised if delisting was at all permissible under the laws. It was argued in some circles that delisting should not be permitted at all. They argued that it was the intention of legislature, as there were statutes and rules to govern listing, but no statute/rule provided for delisting. It was probably considered that listing was so sacrosanct that once a security was listed, it should not be delisted. An investor subscribes to an issue on the basis of the contents in the prospectus which may state that the security would be listed on stock exchanges. Once he subscribes to the issue, he takes an irreversible decision, as the promises in the prospectus are irreversible. Hence if one considers investors interest to be the predominant and sole factor, there should not be any delisting of securities. Another school argued that listing agreement was essentially a contract between a company and an Exchange. Like any contractual relations, it must have also a way to terminate the relationship in certain circumstances. If there was a way to get in, there must be also a way to get out. Should the exchange and the company consider terminating their relationship, after taking care of interest of the affected third parties (investors), they should be permitted to do so. In view of pros and cons of delisting, it may not be desirable to put an absolute ban on delisting but it may be regulated. The statute and rules must provide a framework for delisting, as it provided for listing. If it is in the interest of investors, it must be permitted. If it is not in the interest of investors, delisting may be allowed only if investors are adequately protected.

The Ordinance, therefore, incorporates a new provision to allow delisting of securities. A stock exchange may delist securities on any of the grounds as may be prescribed in the rules, after giving the company concerned an opportunity of hearing. A listed company or an aggrieved investor can file an appeal before SAT against the decision of the exchange delisting the securities.

c. Clearing Corporation : The securities laws did not explicitly recognize existence of clearing corporation. They talked about trading and not much about settlement, which was left to byelaws of the exchanges. The byelaws are supposed to provide for clearing house (not clearing corporation) for settlement of securities transactions. However, clearing house has limitations in the age of anonymous order book ushered in by screen based trading system. The current trading system does not allow participants to assess the counter party risk and, therefore, requires the exchanges to use a clearing corporation to provide novation and settlement guarantee.

The Ordinance inserted a new section in the SCRA to provide that an exchange may, with the approval of SEBI, transfer the duties and functions of a clearing house to a clearing corporation for the purpose of the periodical settlement of contracts and differences thereunder, and the delivery of and payment for securities. SEBI shall approve such transfer if it is in public interest or in the interest of trade. Every clearing corporation must be a company and its byelaws must be approved by SEBI. The various provisions in the SCRA such as grant and withdrawal of recognition, supersession of management, suspension of business etc. applicable to stock exchanges shall, *mutatis mutandis,* apply to clearing corporations. This means that the clearing corporations must be recognized and subjected to the same regulatory framework as the stock exchanges are.

C. INTEGRATION OF TRADING PLATFORM

As a matter of practice, the central government used to make two additional notifications while notifying the recognition of a stock exchange. One notification specified that section 19 of the SCRA shall come into force in the area earmarked for the recognized stock exchange. This notification prohibited trades in the earmarked area outside the exchange. The other notification specified that section 13 shall apply to the said area. This notification prohibited trades otherwise between the members of the recognized stock exchange in that area. These provisions/notifications fuelled the mushrooming of exchanges in the nook and corner of the country as it ensured a geographical monopoly for them. However, with the advent of NSE and intensive use of IT in trading, these provisions worked to their disadvantage, as they could not expand their area of operation. In course of time SEBI allowed them to expand their operations to anywhere in the country making notifications under section 19 irrelevant.

21 small exchanges put together reported only 0.36% of turnover during 2003-04 while the two big exchanges accounted for the balance. Thus many exchanges have in course of time lost *raison d'être* for their existence. They have been generating innovative ideas which can extend their life line.

These included setting up of the Interconnected Stock Exchange and floating subsidiaries to become members of big exchanges. The market participants, exchanges, and authorities now realize that no single exchange on its own can compete with the two big exchanges. They have been toying with an idea of *indonext* which would consolidate the trading platforms of small exchanges and provide an alternative to trading platforms of the two big exchanges. It would be accessible to all brokers of small exchanges and would provide business indirectly to small exchanges. In line with this thinking, small exchanges and one of the big exchanges, namely BSE, have come up with a variant of *indonext* in the name and style of BSE Indonext Segment where small cap companies listed on small exchanges or on BSE will be traded initially and only small and medium companies will be listed in this segment in future. This complements the Finance Minister's proposal in the last budget to create an alternative trading platform for small and medium enterprises to raise equity and debt from the market. This segment will be accessible to the members of the BSE and of the small exchanges. Since such a segment inevitably meant trading between members of two different exchanges, this was not possible in view of restrictions in section 13 of the SCRA. The Ordinance has, therefore, amended section 13 to allow trades within notified area among the members of recognized stock exchanges. With this amendment, it will be possible for trades to be executed on BSE Indonext Segment between a broker of Jaipur Exchange and a broker of Gauhati Exchange. In such a case, the issue arises is: the rules and byelaws of which exchange would govern trading and enforce settlement. This has been clarified in the Ordinance that the contracts between two brokers of two different exchanges shall be subject to terms and conditions of respective exchanges with the prior approval of SEBI. This means that the trades on BSE Indonext Segment will be regulated in the manner specified by SEBI.

D. SCHEME OF PENALTY

The securities market is an integral part of the economy. It has the potential to destabilise other sectors. It is, therefore, necessary that the penalty for offences in the securities market is deterrent. This is possible if the statutes identify the offences, prescribe stringent associated penalties and provide a fair and objective mechanism for imposition of such penalties. The Ordinance has inserted/ modified provisions in the SCRA and the DA to make the penalties really deterrent, mostly in sync with the provisions in the SEBI Act, 1992.

If an offence is cognizable, it is less likely to be committed. The offences which have potential to destabilize the system or have serious implications otherwise have been declared cognizable under the Code of Criminal Procedure to reduce the likelihood of their occurrence. In view of their gravity, a few offences in the securities market, as listed in section 23(1) of the SCRA, were cognizable. The Ordinance has made all the offences listed in section 23 of the SCRA cognizable. It has further provided that these offences and all offences listed in section 23M(1) of the SCRA and section 20 (1) of the DA, on conviction, shall attract punishment in terms of imprisonment and/or fine, without prejudice to any award of penalty by the adjudicating officer.

The penalty prescribed under the SCRA and the DA was ridiculously low. Many of the offences under the SCRA attracted a penalty of Rs. 1,000 on conviction. For example, non-compliance of listing agreement, which can put investors to untold miseries and make a mockery of corporate governance norms, could be punished only up to Rs. 1,000. If listing agreement is to be effectively used to discipline a listed company, its non-compliance must invite a stringent punishment. Accordingly, the Ordinance has increased the penalty to an imprisonment up to 10 years or fine up to Rs. 25 crore or both for all the offences listed in sections 23 and 23M (1) of the SCRA and section 20 of the DA.

Only a few offences were listed in the SCRA and the DA. These offences attracted punishment on conviction through prosecution. For obvious reasons, prosecution is not always the most efficient means of punishing the accused. Besides, a large number of offences were not listed in the statutes and hence there was no means to deal with such offences. For example, the failure to dematerialize or rematerialise securities within specified time or failure to segregate the assets of clients was not listed as an offence. It was therefore necessary to identify all possible violations and prescribe a mechanism to deal with them. Further, certain entities like exchanges/depositories could not be punished adequately for violations by them. Only recourse available to the regulator in such cases was to withdraw the recognition of the exchange or supercede its management or cancel or suspend the registration of a depository. Such penalty leads to cessation of business and affects innocent third parties, often adversely, who deal with the exchange/depository. Monetary penalty is more efficient to deal with such violations. In order to address these infirmities, the Ordinance has identified various possible violations, created a mechanism to establish the violation and, if warranted, impose monetary penalties.

The Ordinance inserted provisions in the SCRA and the DA to empower SEBI to appoint adjudicating officers to adjudicate a wide range of offences, as listed under sections 23A to 23H in the SCRA and 19A to 19G in the DA, and impose monetary penalties for such offences. The adjudicating officer shall not be an officer below the rank of a division chief of SEBI. He will hold an inquiry after giving a person reasonable opportunity of hearing for the purpose of determining if any violation has taken place and imposing penalty. He will hold inquiry in the manner prescribed in the Rules made by the government. He shall have powers to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or produce any document relevant for the inquiry. While adjudging the quantum of penalty, he shall have due regard to amount of disproportionate gain or unfair advantage wherever quantifiable made as a result of the default, the amount of loss caused to an investor or any group of investors as a result of default, and the repetitive nature of the default.

The following table presents the penalties envisaged in the Ordinance for different violations in the SCRA and in the DA:

Penalties Provided in the Securities Laws (Amendment) Ordinance, 2004

Sections	Violations	Penalty
Violations under the Securities Contract (Regulations) Act, 1956		
23(1)&(2)	Various violations such as trades in contraventions of various sections of the Act, operating non-recognised exchanges, non-compliance with the orders of SAT, non-compliance with the conditions of listing etc.	Imprisonment up to 10 years or fine up to Rs. 25 crore or both
23A(*a*)	Failure by any person to furnish any information, document, books, returns or report to a stock exchange required under the Act or any rules made thereunder within specified time	Rs. 1 lakh for each day during which such failure continues or Rs. 1 crore, whichever is less
23A (*b*)	Failure by any person to maintain books of accounts or records as per listing agreement or conditions	
23B	Failure by any person to enter into agreement with his client under the Act or any byelaws of stock exchange made thereunder	
23C	Failure by a broker/sub-broker/listed company/proposed to be listed company to redress the grievances of investors after having been called upon by SEBI to do so	
23D	Failure by a broker/sub-broker to segregate the assets of client(s) or uses the assets of a client(s) for self or any other client(s)	Penalty not exceeding Rs. 1 crore
23E	Failure by a company or any person managing collective investment scheme or mutual fund to comply with listing/delisting conditions	Penalty not exceeding Rs. 25 crore

Sections	Violations	Penalty
23F	Any person dematerialized securities more than the issued securities or delivers unlisted securities in the exchange	Penalty not exceeding Rs. 25 crore
23G	Failure or neglect by an exchange to furnish periodical returns to SEBI or make or amend its rules/byelaws as directed by SEBI or comply with directions of SEBI	
23H	Failure by any person to comply with any provision of the Act, the rules or articles or byelaws or the regulations of the exchange or directions issued by SEBI for which no separate penalty has been provided	Penalty not exceeding Rs. 1 crore
23M(1)	Contravenes or attempts to contravene or abets the contravention of the provisions of the Act or of any rules or regulations or byelaws made thereunder	Imprisonment up to 10 years or fine up to Rs. 25 crore or both
23M(2)	Failure to pay the penalty imposed by adjudicating officer or to comply with any of his directions or orders	Imprisonment up to 10 years (not less than one month) or fine up to Rs. 25 crore or both
	Violations under the Depositories Act, 1996	
19A(*a*)	Failure by any person to furnish any information, document, books, returns or report to SEBI required under the Act or any rules or regulations or byelaws made thereunder within specified time	Rs. 1 lakh for each day during which such failure continues or Rs. 1 crore, whichever is less
19A(*b*)	Failure by any person to file any return or furnish any information, books or other documents required under the Act or any rules or regulations or byelaws made thereunder within the time specified	
19A(*c*)	Failure by any person to maintain books of accounts or records required under the Act or any rules or regulations or byelaws made thereunder.	
19B	Failure by an intermediary, including depository and depository participant, or an issuer to enter into agreement required under the Act or any rules or regulations made thereunder	
19C	Failure by an intermediary, including depository and depository participant, or an issuer to redress the grievances of investors after having been called upon by SEBI to do so	
19D	Failure by an intermediary or an issuer to dematerialize or rematerialize the securities within specified time in the Act or regulations or byelaws or abets delay	
19E	Failure by an intermediary or an issuer to reconcile the records of dematerialized securities with all the securities issued by the issuer as specified in the regulations	
19F	Failure by any person to comply with the directions issued by SEBI under section 19 within specified time	
19G	Failure by any person to comply with any provision of the Act, the rules or regulations or byelaws made or directions issued by SEBI thereunder for which no separate penalty has been provided	Penalty not exceeding Rs. 1 crore
20(1)	Contravenes or attempts to contravene or abets the contravention of the provisions of the Act or of any rules or regulations or byelaws made thereunder	Imprisonment up to 10 years or fine up to Rs. 25 crore or both
20(2)	Failure to pay the penalty imposed by adjudicating officer or to comply with any of his directions or orders	Imprisonment up to 10 years (not less than one month) or fine up to Rs. 25 crore or both

The Ordinance, however, provides that all sums realised by way of penalties imposed by adjudicating officers would be credited to the Consolidated Fund of India. This is probably to avoid conflict of interest that the beneficiary of the penalty should not determine if penalty is to be levied and if so, the amount of penalty. It further provides that non-payment of penalty imposed by an adjudicating officer or non-compliance with any of his orders or directions would be an offence punishable with imprisonment for a term between one month and ten years, or with fine up to Rs. 25 crore or with both.

To ensure fair inquiry and penalty, the Ordinance provides that appeal against the orders of adjudicating officers would lie to the SAT. Any person aggrieved by an order of SAT can prefer an appeal before Supreme Court only on a question of law.

The Ordinance empowers the SAT and the Courts to compound offences. They can compound any offence under the SCRA or the DA, not being an offence punishable with imprisonment only, or with imprisonment and also with fine, either before or after the institution of the proceeding.

In order to reduce delays, avoid unnecessary litigation and get cooperation of the accused, the Ordinance empowers the central government to grant immunity, before institution of prosecution, to any person from prosecution for any offence under the SCRA/DA or the rules or the regulations made thereunder or from the imposition of any penalty under these Acts with respect to alleged violation. Such immunity can be granted only if SEBI recommends it and the person makes a full and true disclosure in respect of the alleged violation. If any person to whom immunity has been granted does not comply with the conditions on which immunity was granted or had given false evidence, the immunity can be withdrawn and on such withdrawal, the accused would face normal prosecution/penalty.

Any offence punishable under the Acts or any rules or regulations or byelaws made thereunder shall be tried by a 'court of session' instead of 'a metropolitan magistrate or a judicial magistrate of the first class' as provided earlier. The court can take cognizance of the offences only on a complaint made by the central government or state government or SEBI or a stock exchange or any person.

The Ordinance has inserted section 12A in the SCRA to empower SEBI to issue appropriate directions in the interest of investors and securities market to any stock exchange, clearing corporation, such other person or agency providing trading, clearing or settlement facility in respect of securities or to any company whose securities are listed or proposed to be listed in a stock exchange. It can issue such directions if it is satisfied that it is necessary (a) in the interest of investors or orderly development of the securities market, or (b) to prevent the affairs of any stock exchange, clearing corporation, such other person or agency providing trading, clearing or settlement facility being conducted in a manner detrimental to the interest of investors or the securities market, or (c) to secure the proper management of any such entity.

The Ordinance empowers central government to make rules under section 30 of the SCRA to provide for (a) the grounds for delisting of securities, (b) the manner of appeal before the SAT, and (c) the manner of inquiry by the adjudicating officer. It also empowers government to make rules under section 24 of the DA to provide for the manner of inquiry by the adjudicating officer. These provisions are similar to those existing in the SEBI Act.

E. MINOR IRRITATIONS

The objectives of the Ordinance are laudable. Many of the provisions in the Ordinance can be implemented only if the corresponding rules are framed. These rules and the additional rules proposed in this section need to be framed immediately so that the initiatives proposed in the Ordinance can see the light of the day. Further, it may be desirable that these aspects are provided in the regulations to be framed by SEBI instead of rules to be framed by government. A Bill is expected in the coming session of Parliament to replace it. The Bill may incorporate a few minor editorial/consequential changes in the Ordinance to ensure its smooth implementation. This section proposes such changes and identifies the rules to be framed. It does not talk about substantive issues or issues relating other areas which need amendments in securities laws.

a. Corporatisation and Demutualisation

The provisions relating corporatisation and demutualisation are incomplete. These need to be toned up in the Bill by addressing the following issues:

i. The Ordinance envisages that the reserves/assets of a non-corporate mutual recognized exchange will be transferred to a corporate demutual stock exchange. It does not say who will incorporate the corporate stock exchange or who will be its initial shareholders. Will it only be existing brokers of the recognized exchange or any other person? This is important because these initial shareholders will hold the entire equity of the corporate exchange even after transfer of assets/liabilities. This means that these shareholders will be the ultimate beneficiaries of the reserve and surplus of the erstwhile exchange for all practical purposes. If the corporate is listed, these shareholders can theoretically encash the reserve and surplus on the day after assets/liabilities are transferred. The reduction of their stake to 49% within 12 months does not really make any difference to them as they will get value for their holding when they divest it. If it is not listed, these shareholders can wind up the exchange and share the proceeds from the assets. The Bill may clearly indicate who would be the beneficiaries.

ii. The demutual exchanges would inherit the accumulated reserves and surplus which has grown because of so many concessions and tax benefits. In order to ensure that this remains with the organization even after conversion and is not taken away by anybody, there is a restriction on distribution of this accumulated reserve and surplus and assets inherited by the demutual exchange, as these belonged to erstwhile not-for-profit exchange. This means that the exchange may continue to have the non-distribution clause prohibiting distribution of profits/dividends out of the inherited reserves and surplus. Hence the exchange would be corporatised and demutualised, but may continue to be a not-for-profit organisation. This reserve and surplus may be deployed by the exchange separately for common benefit of investors/exchange/market. Or, if the exchange becomes a for-profit organization, the reserve and surplus may be capitalised and issued as equity shares to a public agency (representing all stake holders) which can disinvest in due course and all future profits of the organization may be subject to normal taxation. Or, these assets/reserves may be locked in permanently as long as the exchange in existence and the assets pass on to another exchange if it is wound up. These aspects may be dealt in the Bill.

iii. People may like to incorporate a new company to take over the business of a good exchange. It may not so happen if an exchange does not have any reserve and surplus or has negative net worth. In such a case, corporatisation will not take off and the exchange will eventually be derecognized.

iv. The Ordinance provides that a recognized stock exchange shall be derecognized if it does not submit a scheme of corporatisation/demutualization or if the scheme is rejected. It, however, does not provide if an exchange is derecognized, how the exchange would be wound up, and particularly how the reserve and surplus would be distributed. If it is possible to share the reserve and surplus even without demutualization, many exchanges may prefer this approach.

v. SEBI is expected to frame regulations to reduce the stake of brokers to 49% within 12 months. It is possible that the corporate exchange is incorporated with less than 49% stake with brokers. In such a case there would be no need to reduce the stake of brokers. If, however, an exchange is not doing well, it may be impossible to get people to take 51% stake within 12 months. In such a case, the stake of the brokers cannot be reduced. The Bill may provide solution for such an eventuality.

vi. The Ordinance grants powers to central government to frame rules for various purposes. It does not empower SEBI to frame regulations, even though it expects SEBI to do so for reducing the stake of brokers. In fact, the SCRA does not contemplate making of any regulations. The Bill may specifically empower SEBI to frame regulations and may require the regulations to be laid on the table of the Parliament. SEBI may, thereafter, frame regulations immediately. Alternatively, the central government may frame rules for this purpose.

vii. SEBI is expected to ensure demutualisation and corporatisation of exchanges. It will approve the scheme and make all the required notifications. However, in case a recognized exchange does not demutualise/corporatise, does not submit a scheme for the same or the scheme is rejected by SEBI, the recognition of the exchange shall stand withdrawn and central government shall notify withdrawal of recognition in the gazette. In the interest of operational convenience, the Ordinance should have empowered SEBI to make such notification. Otherwise, central government will delegate this power to SEBI by another notification.

viii. With corporatisation, the exchanges shall have two categories of members namely, trading members and shareholder members. Since "member" under the SCRA means a member of the recognised stock exchange, it would cover both the categories and create confusion. It is necessary that these two categories are identified specifically in the SCRA and their rights and obligations are clearly defined in the Rules.

ix. The scheme may provide for issue of shares for lawful consideration or provision of trading rights in lieu of membership card. However, SEBI shall not approve any such scheme if it proposes issue of shares for lawful consideration or provision of trading rights in lieu of membership card or payment of dividends out of reserves and assets of the exchange. These provisions are contradictory.

x. The Ordinance says that the non-corporate and mutual exchanges shall be corporatised and demutualised from an appointed day. It does not, however, say that only corporate and demutual exchanges shall be recognised in future. Otherwise exchanges of any form will be recognized in future and thereafter they have to go through the process of demutualization and corporatisation.

xi. The corporatisation would involve transfer of assets from an association of persons to a corporate entity. This may attract stamp duty which can be prohibitive. It is necessary that the stamp duty is completely waived of as the demutualization is imposed on the exchanges in public interest.

b. Delisting

The provisions in the Ordinance relating to delisting need to be touched up as follows:

i. Instead of 'grounds' for delisting, it should enable central government to prescribe the requirements of delisting, as it specifies the requirements of listing of securities.

ii. The delisting framework should cover units of collective investment scheme (CIS). These are listed like security of any company and the rules provide for requirements of their listing.

iii. Now that the units of MFs are securities, the Rules must also provide for the requirements of their listing and delisting.

iv. The rules providing for requirements of delisting of securities, including units of MFs and of CIS, and requirements of listing of units of MFs, need to be framed immediately.

v. SEBI has issued delisting guidelines which provide for both voluntary and compulsory delisting. The Ordinance only sanctifies the delisting by the exchange. Since the listing by exchange is generally compulsory, the voluntary delisting will not have any legal basis. The bill may enable voluntary delisting explicitly. Or, at least, the rules should provide the requirements of both compulsory and voluntary delisting.

vi. The SCRA talks about listing by an exchange, while SEBI has the Central Listing Authority (CLA) under the SEBI Act, 1992 to issue letter precedent to listing. It is ironical that there is a Central Listing Authority, but it has no powers to grant/refuse listing. The SCRA may clearly provide for the CLA and transfer all listing functions from the exchanges to CLA.

c. Clearing Corporation

The provisions relating to clearing corporation need to make allowance for the following:

i. The Ordinance provides that an Exchange may transfer the clearing functions to a clearing corporation with the approval of SEBI and SEBI shall allow such transfer in the interest of trade and public. It gives an impression that the settlement through clearing corporation may not always be desirable. It is just an enabling provision and the exchange and SEBI are at liberty not to transfer settlement function to a clearing corporation. Even without such enabling provision, we have clearing corporations and hence such provision does not serve any useful purpose. If we consider that settlement by clearing corporation is desirable and better than that through clearing house, the Bill must mandate it in no uncertain terms.

ii. The Ordinance states that various provisions in the SCRA shall apply to clearing Corporation as they apply to an exchange. These provisions empower central government to frame rules in respect of exchange. The Bill must enable government to frame rules in respect of clearing corporation and the central government must frame the rules immediately.

d. Market Integration

The SCRA now permits contracts between members of the exchanges. This cannot take off unless corresponding amendments are made in the Rules. Besides, the participating exchanges need to formalize an understanding particularly about the responsibilities of each exchange and adjudication and settlement of disputes, with the approval of SEBI, relating to operations on the BSE *indonext* Segment.

e. Editorial Changes

i. Three sub-clauses namely (*hb*), (*hc*) and (*he*) of sub-section (2) of section 30 of the SCRA empower central government to make Rules to provide for the form of appeal under sections 21A, 22A and 23L respectively before the SAT. Only one clause would have been sufficient to provide for these in the SCRA. In fact, only one Rule, not three different Rules, should be notified.

ii. Section 13, as amended by the Ordinance, enables contracts in securities between members of different exchanges subject to (*i*) such terms and conditions as may be stipulated by the respective exchange, and (*ii*) prior permission from the respective stock exchanges if so stipulated by the stock exchanges. These (i) and (ii) are not essentially different and only one of these would have been sufficient.

iii. The offences listed under sub-sections 23(1) and 23(2) invite the same penalty. There was no need of having two different sub-sections. One section would have been sufficient.

iv. Complaint under section 26(1) of the SCRA and section 22 of the DA can be made by the central government, a state government, SEBI, a recognised stock exchange or by any person. If any person can make a complaint, there is no need to specify that it can be made by the central government, a state government, SEBI, a recognised stock exchange or by any person.

v. The violations of securities laws are harmful to the securities market and the economy and should attract deterrent punishment. The violations listed in the SCRA have been made cognizable by the Ordinance, while the violations under the SEBI Act or the DA continue to be non-cognizable.

vi. Failure to comply with directions of SEBI under section 19 of the DA is adjudicable. The failure to do so under the comparable provisions in section 12A of the SCRA or 11B of the SEBI Act is not adjudicable.

These minor changes may be incorporated in the Bill and the necessary Rules may be framed quickly so that the objectives of the Ordinance can be realised at the earliest.

The Contour of Risks in Venture Capital

UMESH KUMAR*

The venture capital plays angelic role in nurturing and nourishing new ventures particularly high risk ventures. The role of venture capital has been unprecedented and vital in the rapid development of information technology, communications, biotech, pharma and next generational technologies. The global bust in dotcom and allied sectors has wrecked the confidence of venture capitalists in putting money into innovative businesses and technologies. This paper explores into embedding risks containment for the VCs. It may ease risks constraints of VCs and promote a healthy culture of entrepreneurship.

Broadly defined, Venture Capital (VC) is funds invested or available for investment in potentially highly profitable enterprises at considerable risk of loss. Venture capital is often used interchangeably with other terms such as risk capital, patient capital or equity financing. In a nutshell, VCs are known to be promoting and facilitating risk capital. By nature, risks are enshrined in its activity and performance. In this era, it is undisputed fact that certain types of enterprises, or enterprises at certain stages of their existence, may be better served by risk capital. VC is ideally suitable for early stage companies in field of information technologies, life sciences, bio technologies, and other emerging technologies such as nano technologies, energy technologies, food processing etc.

VCs invest in enterprises, which are unable to access the funds through the conventional sources such as banks and financial institutions. Such enterprises are risky and generally do not have any major collateral to offer as security, hence banks and financial institutions are averse to funding them. Venture capital funding is preferable way of investment in the equity of these new enterprises or a combination of debt and equity, though equity is the most preferred route. VCs help in bringing to life ideas with the use of capital but with more than just capital. They do it by showing sensitivity to the creative drive and by showing loyalty to the entrepreneur who has conceived it. They bring material benefits to the enterprise such as common desire for success, a partner and not a lender, active board participation, contacts, discipline, credibility etc. These elements are mostly absent in other sources of fund.

Venture capital comes in many forms and at a variety of stages. Venture capital can be used to build companies from a business plan to a full functioning profitable and valuable company. Before VC money is useful, entrepreneurs must develop their own idea and technology. They need a base to accomplish this, which is usually provided by friends and family or a previously successful entrepreneurial activity (their own funds). Venture Capitalists are companies or individuals who provide investment capital, management expertise and experience. In return for their investment, Venture Capitalists will take an equity position in the company, usually in proportion to the amount of their investment and the level of risk involved. The future return on their investment is tied to the performance of the company. To a venture capitalist, it is not the company, but the investment in a company that is the instrument for making a profit, for achieving the goal.

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Historical Insights

Venture capital is a phenomenon most closely associated with the United States and technologically innovative ventures. Due to structural restrictions imposed on American banks in the 1930s, there was no private investment banking industry in the United States, a situation that was quite unique in developed nations. In the United States after World War-II, a set of intermediaries, the venture capitalists, emerged whose sole activity was investing in fledgling firms. From its earliest beginnings, venture capital gradually expanded and became increasingly formalized. Also, the locus of the venture capital industry shifted from the East Coast to the West Coast of America. By the mid-1980s, the ideal–typical venture capital firm was based in Silicon Valley and invested largely in the electronics sector, with lesser sums devoted to medical technology. With the rise of Japan and Germany in electronics and consumer goods, there was a general feeling that the United States was in an economic decline. Private investors in the form of venture capitalist in the United States - a model that proved to have some advantages when the public's greed was strongly activated by the IPO of Netscape and other Internet-related firms. This highlighted the nearly invisible role that Silicon Valley had played in the sustaining of American economic innovation and renewed the economic upsurge.

Nonetheless, the venture-capital paradigm has been a "portfolio" proposition. A VC makes 10 investments. Eight of those investments fail or struggle. One is a success. And one is a home run. The home run and the success add up to a number larger than the losses on the eight strugglers.

In India, VC financing was first introduced during 1975 with the setting up of IFCI-sponsored Risk Capital Foundation (now known as IFCI Venture Capital Funds Ltd.). In 1976, a seed capital scheme was introduced by the Industrial Development Bank of India. Till 1984, the venture capital took the form of risk and seed capital. A VC fund was set up by Government of India in 1985 for providing equity capital for projects attempting commercial applications of the indigenous technology. The Indian venture capital industry has grown significantly since 1996, largely as a result of the recent boom in the technology industry. With VC firms now looking to invest in new sectors such as healthcare and biotechnology, the growth in this sector is expected to continue in the coming years.

Accretion of Funds

The Venture Capital companies obtain their funds from investors. These are institutional investors, the parent companies of the Venture Capital companies, private individuals and other parties. Their money is pooled in a fund, which is managed by the Venture Capital company. The management of VC companies decides to invest this money into investee-companies. In addition, the VC companies can provide their investees management skills, contacts and market access. If appropriate, they find them external managers. VC companies are an active partner to the investee company *e.g.* by providing know-how and obtaining a network, in order to promote the companies growth and general business stability. This is reflected by representation in the board, acting as management consultants and as financial advisors in certain projects. This management support is an important feature that differentiates Venture Capital from other sources of finance. The investees are often highly innovative companies in their growth phase that lack sufficient senior management skills besides precious finance. The VC companies get their returns mainly when they sell out their stakes in the investee companies. Often this is done in the course of an IPO (Initial Public Offering).

Goings-on of VCs in International Arena

Venture capital is an important financial innovation in financing high risk new and/or high technology enterprises in developed countries, particularly the USA. This is also catching up in a number of developing countries. In order to minimize risks, however, venture capital companies also focus towards growth companies. In most of the cases VCs invest in unlisted companies without proven track record. The ability of VCs to grow depends highly on their potential to bestow in assessment, innovation and qualification. Hence, given the nature of venture capital activity, VCs have to deal with inherent risks associated with the projects.

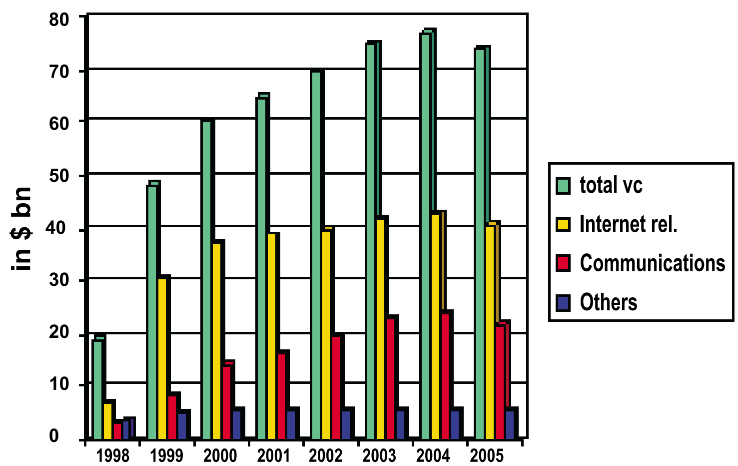
During 2000, Internet-related VC investments (e-commerce and content, communications infrastructure, Internet software and tools, Internet hardware and related Internet services) constituted nearly 76% of total VC investments in the US. Non-Internet related investments were primarily directed towards the biotechnology, medical/health and industrial/energy sectors. Amongst the Internet-related investments of US$78 billion during 2000, e-commerce and content ventures attracted 45% of investments, followed by 24% in communications/infrastructure 16% in Internet software and tools.

Venture capitalists in the US pioneered and now dominate the global VC business. During the last decade, the VC industry in the US has become one of the most admired institutions amongst industrialists and policy makers around the world. Companies such as Microsoft, Intel, America Online, Apple, Compaq, Netscape, Sun Microsystems, Federal Express and Genentech are examples of companies that have received VC. In turn, many technology companies including Intel, Microsoft, AT&T and, Lucent are also large providers of venture capital.

The Global Market for Venture Capital

The global economy seems to be on robust path and is likely to be strong in future led by the US and other developed nations. The consistent growth of the Chinese economy has also boosted the demand for developmental funds. These favourable situations are virtuous sign for the Venture Capital industry. The overall growth of the economy leads directly to a higher demand for Venture Capital. Since more people are encouraged to set up their own companies in R&D-intensive industries the demand for both – equity financing and external advise will grow.

The following figure is no exact prediction of the volume of Venture Capital investments; it intends to show our expectations for the overall trend of the industry until 2005. The IT sector i.e internet related ventures are in the forefront in galloping major chunk of VC funds.



Source : The Economist

The foundations and development of the risk capital industry, management structures, investment decision making processes, deal structures and post investment involvement in entrepreneurial companies by venture capitalists have engaged numerous governments, as a panacea for economic woes. This tendency, its rationale and the approaches taken for risk capital development is now well accepted internationally.

Shifting streams

Until global bust of dotcoms, venture capitalists were the frenetic financiers of the "new economy". In 1999 and early 2000, entrepreneurs could, in essence, auction their business plans to the highest bidder. The Economist in its article published in May 2001 observed that many start-ups found funding within minutes. Average valuations of high-tech start-ups rose from about $11m in 1996 to almost $30m in 2000.

Today the balance of power has switched. Most venture capitalists are pulling the plug on the weakest firms, leaving questionable cases to fend for themselves, while focusing their energies on overseeing the most promising start-ups. Forget home runs — VCs just want to hit a few singles. There is emergence of risk-averse venture capitalists. Talk about an oxymoron. "Strangulation and triage" is how being described the new reality of the venture-capital business. According to Daniel L. Burstein, Managing Partner at Millennium Technology Ventures in New York, the abrupt shift represents something more than just a cyclical swing. "The venture-capital paradigm that prevailed for most of modern venture capital's history is broken," says Burstein. "The portfolio approach doesn't work today and, in my opinion, will not work for the next several years. On the whole, there will be far fewer home runs. And if you can't be sure of finding one giant winner, then you can't afford to pay for all the failures." Further, the globalisation and internationalisation have increased the competition and the profit orientation in this sector.

Now, a trend is emerging where VCs are also becoming much active in mezzanine financing that can be termed as third-stage financing for other ventures. In this situation, capital is provided for major expansion in companies whose sales are increasing, and whose cash flow is break-even or slightly positive. Funds are used for plant expansion, marketing, working capital, or new product development. VCs are also encouraging its investee companies to go leveraged buy outs (LBOs) and fund for it. The financing is provided for the strategic purchase of other product lines, divisions, or companies, or for management/employees to purchase some or all of the company for which they work. The following figure testifies the VCs interests in various funding pattern particularly in the US, in creating different assets class.

Buyout and Mezzanine Financing in the US

Year	*Number of Funds*	*Venture Capital ($M)*
2000	160	76,729.3
2001	117	44,684.6
2002	84	26,621.8
2003	86	29,625.4
2004 (Estimated)	75	32,494.7

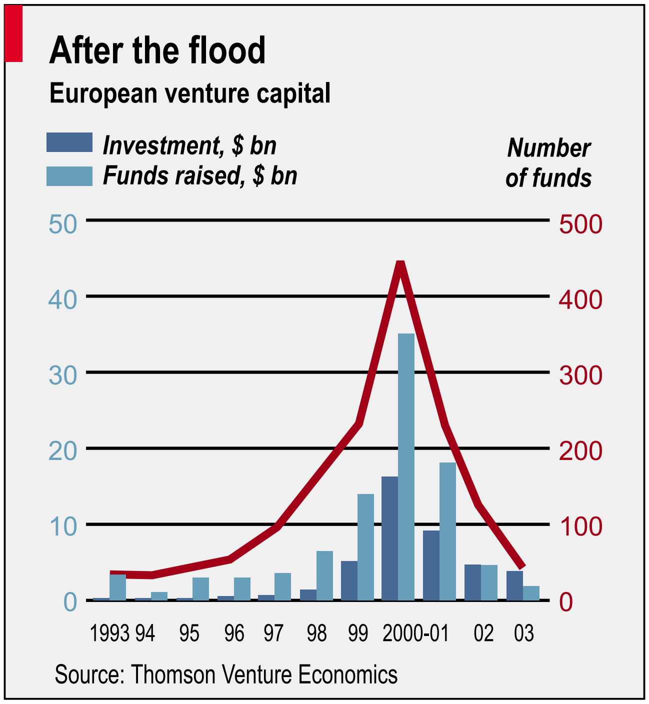
Source: *Thomson Venture Economics & National Venture Capital Association*

It is true that in the last few years, venture capital industry has been pummeled like never before due to dotcom bust. However, the 'allure' of innovation 'is not going to vanish just because of some short-term downturn in the industry'. Real VCs will thrive in this environment. It is clear that the venture capital industry is run by the smartest entrepreneurs in the world. Loosing money is part of the game. Money will come. Venture capitalists do not give up easily. They are very persistent people. I feel that the "second generation" of venture capitalists will now focus on companies developing new technologies and products for the global marketplace.

> "We are now seeing an extremely strong level of interest in the venture capital asset class from institutional investors and rightly so. Venture capital produces above average returns over the long term," said Mark Heesen, president of the National Venture Capital Association (NVCA) of the United States of America. "However, it is critical at this time that venture firms exercise discipline and stay within the parameters of their fundraising targets so that those returns can continue. If the industry begins to take more money than can be invested successfully, performance will suffer."

The venture capital is still attractive can be illustrated by the following:

European Venture Capital Industry



US Venture Capital Industry

Year	*Number of Funds*	*Venture Capital ($M)*
2000	635	106,027.9
2001	305	38,063.8
2002	164	3,660.7
2003	134	10,528.4
2004 (Estimated)	125	11,249.1

Source: Thomson Venture Economics & National Venture Capital Association

Venture Capital Activity in India

In the late 1990s, the Indian Government became aware of the potential benefits of a healthy venture capital sector. Thus, in 1999, a number of new regulations were promulgated. Some of the most significant of these related to liberalizing the regulations regarding the ability of various financial institutions to invest in venture capital. Perhaps the most important of these went into effect in April 1999 and allowed banks to invest up to 5 per cent of their new funds annually in venture capital.

The main statutes governing venture capital in India included the SEBI's 1996 Venture Capital Regulations, the 1995 Guidelines for Overseas Venture Capital Investments issued by the Department of Economic Affairs in the Ministry of Finance, and the Central Board of Direct Taxes' (CBDT) 1995 Guidelines for Venture Capital Companies (later modified in 1999). In early 2000, domestic venture capitalists were regulated by three Government bodies: the Securities and Exchange Board of India (SEBI), the Ministry of Finance, and the CBDT.

Regulatory Milieu

The stated aim of the Indian regulatory regime is to be neutral with regard to the risk profile of investment recipients, but concerns about misuse have not allowed for complete neutrality. The regulatory environment is relevant to all; be it political acceptability, intended use, intended rewards, prudent use and investor protection. To achieve political acceptability, the regulations may specify limits on the sizes of firms that may be financed. The intended use condition is that the regulations should induce investment by venture capital company primarily in the equity or equity-linked instruments in privately held, high-growth companies. The regulations should not favour specific investments, *e.g.*, there should be no preference for IT-related ventures or biotech. This neutrality between sectors is desirable not just because it should not be up to regulators to choose sectors of investment, but also because specifying a sector can turn into a very difficult task. Only six industries have been approved for investment: software, information technology, pharmaceuticals, biotechnology, agriculture, and industries allied to the first five. Statutory guidelines also limit investments in individual firms based on the VC's and the fund's capital.

The formalization of the Indian Venture capital community began in 1993 with the formation of the Indian Venture Capital Association (IVCA) headquartered in Bangalore. In 1996, the SEBI introduced the SEBI (Venture Capital Funds) Regulations, 1996, which venture capital and private equity investors have to adhere to, in order to carry out activities in India. The move liberated the industry from a number of bureaucratic hassles and paved the path for the entry of a number of foreign funds into India. Since the VC industry is extremely dynamic and so the regulations should either be flexible enough to accommodate foreseeable changes in the environment or would need to be reviewed from time to time. Significant changes to the venture capital regulations were brought about in 2000 pursuant to the K.B. Chandrasekhar Committee recommendations. Further, in September 2000, SEBI announced a new set of guidelines under the SEBI (Foreign Venture Capital Investors) Regulations, 2000 (FVCI Regulations) enabling foreign venture capital and private equity investors to register with SEBI and avail of certain benefits provided there under. SEBI has been made a nodal agency to regulate and facilitate the growth of VC industry. Thus, both domestic and offshore venture capital funds investing in India are regulated by the SEBI. The Indian regulations governing private equity do not make any distinction between a venture capital investor and a private equity fund.

Progression of Venture Capital Sector

Continuous economic reforms since 1991 have made India an attractive destination for VC investment. India has a vast pool of entrepreneurial talent who are able to compete globally in a wide range of industries. Venture Capital has its role in India's recent success story in the area of information technology. The Indian venture capital industry has grown significantly since 1996, largely as a result of the recent boom in the technology industry. It faced a challenging external environment in 2002-03. Most funds were adversely affected by the collapse of the dot com bust, the slowdown in the global economy and a competitive market scenario. However, contrary to popular belief, the Indian venture capital sector has started attracting the VCs, domestic and foreign in rekindled manner given the inherent strength by way of its human capital, technical skills, cost competitive workforce, research and entrepreneurship.

Venture Capital Investment in India

Year	Sum Inv. ($million)
1996-97	20
1997-98	80
1998-99	250
1999-00	500
2000-01	1200
2001-02	1100
2002-03	530
2003-04	1000 (approx.)

Source: Nishith Desai Associates

Risk - It's venturing stupid

Venture Capital funds face high losses. Following their poor returns, it gets much harder for them to attract new capital. Investors' preferences clearly shift to more secure investments. In addition, in times of economic slowdown there are less investment opportunities. Only the demand for rescue capital will be there. In this situation, risk or better risk containment, becomes the most important success factor. The technology enjoyed unparalleled growth during the mid to late 1990s. As entry prices rose precipitously, VCs threw ever more money at an assortment of internet, telecommunications and chip deals based on the 'greater fool theory'. Looking back at that period, it appeared that the potential for generating astronomic rates of return, no matter the valuation at entry, outweighed any fundamental analysis of risk. Many VCs acquired minority equity stakes with only cursory protections and were caught totally cold when the markets tumbled. The reason was that little or no attention was paid to risk assessments. The paradox is that the climate for venture investment today is much more attractive than it was several years ago. Yet VCs are shying away.

Since Venture Capitalists invest their funds in riskier business, they have to be quite cautious about the risk assessment of the project, in which they are going to put their money. This can be based on focusing within an applied principal-agent framework. The applied context is that the venture capital investing with the investor as principal and the entrepreneur as agent. Hence, two kinds of risk can be attributed *i.e.* business risk and agency risk. The questions are: how risky are investments, what affects risk most, and do investors and entrepreneurs agree on these matters?

Business risk is caused by the complex, competitive environment in which investee firms (most likely high technology) function. It arises because of the inability of industrial economists, accountants, business forecasters, etc., to predict with any precision the prospective value of a new product in the competitive marketplace. Not only do innovation risks "feed forward" into business risks, but also business risks arise from action-reaction effects within the marketplace, as rivals attempt to accommodate to the marketplace implications of innovative steps. This is very often done in a strategic fashion, *e.g.*, by pre-emption, emulation, imitation, backward engineering, etc. In a sense, firms are "racing" to be first to get an entitlement to the intellectual property (IP) embodied in a new technology. Thus firms will redouble effort if they are very close to rivals but will quickly give up if they seem outstripped in the race.

Agency risk arises, in general, from an incomplete alignment of incentives between principal and agent. In our case, the principal is the venture capital investor and the agent is the high-technology entrepreneur. The root cause of agency risk is information asymmetry between principal and agent. One way in which agency risk, deriving from this, can be reduced, is by superior information systems. Briefly, investors are risk specialists, who know a little about technology and a lot about monitoring and control. They are willing to back their judgments with large injections of equity finance. Typically, entrepreneurs are immersed in technological developments and are risk averse and starved of cash. They would prefer a less risky life and more financial backing. They also need advice and guidance on commercial imperatives. In theory, a "contract" should be struck in which the entrepreneur gives the investor access to potentially valuable intellectual property (*i.e.*, "property" based on new ideas) and the management skill to create it in exchange for which the investor bears some of the risk and provides an infusion of equity finance.

Using the above framework, whether this is sufficient to assess and analyse whole arrays of risk in a venture is indispensable to figure out. Ultimately, this is VC fund which is going to drain in case of failure of the venture. Early investor research is essential both to gauge overall craving and trends in the venture capital market and also to gain feedback from investors on the attractiveness of the funding proposal. I think that just considering the business and agency risk in a subjective manner may not cure all apprehensions in a venture investing. It is vital to have sustainable and scientific approach to back a venture.

> The essence of risk management lies in maximising the areas where we have some control over the outcome while minimising the areas where we have absolutely no control over the outcome and the linkage between effect and cause is hidden from us.

It's all in the Mind

All investors consider risk before reaching for their chequebooks. But how accurate is their assessment? And doesn't perception of risk play a greater role in their decision-making than actual risk. There is an urban myth that investors are sound and rational in their decision-making and that they use all available information to form a considered view, backed by sound judgment. They fully appraise risks and rewards, and in the fullness of time, they achieve successful outcomes.

If only this was so, everyone would be a winner. But, as we all know, life just isn't like that.

If we go back a few years, when the technology markets were raging, it is felt as if the rules of the 'zero sum game' were no longer applicable and all investment decisions, no matter how far-fetched, would result in positive outcomes. The tendency was to focus exclusively on reward and not on risk. We do not exist in a risk-free environment. Being able to understand and manage risk is a critical feature of the human condition.

A Conceptual Framework on Risk Management for Venture Capital

The risks associated with venture capital are relatively uncompassionate, since all ventures do not give returns. An additional risk lies in the nature of the new venture in the new and unknown area.

It is important to organize an efficient sieve at the entrance of an organization

Risk management is complex but it's clear that it moderates the behaviour and activity. It would depart from the existing momentum of the industry. But there is nothing wrong in being 'far from the madding crowd'.

Embedded Angle

Risk management framework in the venture capital funding may entail in following ways:

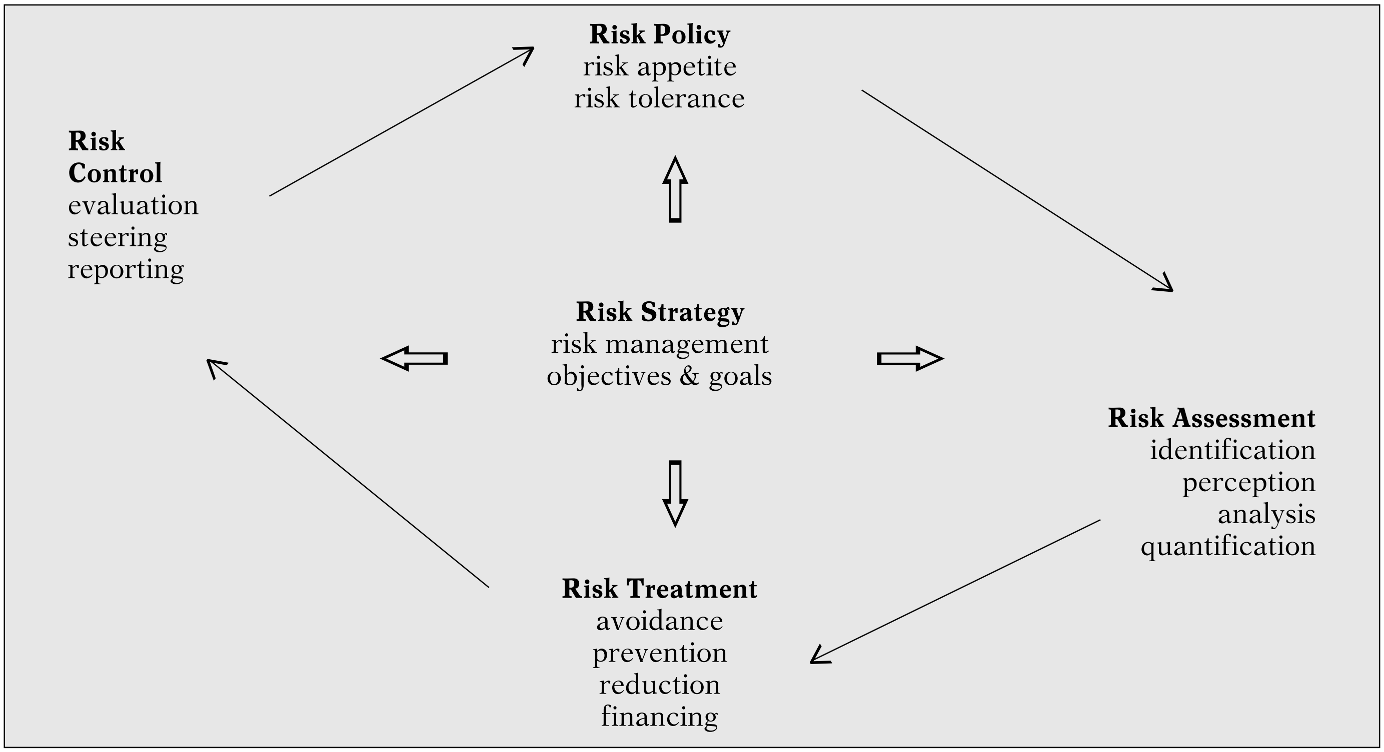
- Comprehend and manage risks - It is essential to grasp the philosophy of the company, recognizing the challenges for economic operators in success. It needs to make a careful analysis not merely of business strategy and its sustainability.
- Reach effective decisions - The key challenge lies in taking prompt and honourable decision in investments for mitigating the risk. A decision that has more successes and fewer failures.
- Comprehend interdependencies - The independent paradigm to be a single venture capitalist in a company that prevailed for most of modern venture capital's history is fading fast. Venture capital is undergoing a radical change. There is emergence of risk-averse venture capitalists. At the same time, the financial structure of company is involving more-complex mixes of equity and debt and more-rational budgeting. Hence a need of interdependecies and share the risks in contributing the risk capital in the company. The global economy is taking the shape and becoming more freer thanks to WTO and GATT. This has driven the need of more interdepencies among VCs. A venture capital can not play the role of all such as, equal parts merchant banker, strategist, consutants, and financial engineers.
- Utilize accurate information - The Venture Capital needs to develop the system to receive accurate information. Any negligence on this part may go for economic combustion of its investments. VCs bear a high degree of risk. Investing in startups or nascent firm is intrinsically risky because, by definition, one is dealing with the unknown or barely known. Compounding that risk are the uncertainties of products, economic cycles and of management.

The risk management process can be understood as a closed feedback loop which involves three steps:

- risk assessment,
- risk treatment, and
- risk control.

The driving forces in this ongoing process are risk policy and risk strategy. This is exemplified in a matrix format. This matrix will also assist in understanding the need of multiple round of funding in the venture.

Risk Matrix



Risk Assessment - Practically, a project for a VC is analogous to that for a product and is sub-divided in different phases such as concept, design, feasibility study, production, operation and transition. Many interfaces must be taken into account during these phases, particularly those involving key human factors. On the basis of these, an assessment is drawn on the potentiality of the project. Typically, analysis and evaluation of the investment prospect would be done. This would cover a range of activity such as, legal provisions, strength of the idea and technology, financial needs and market need.

Risk Treatment - After quantifying the risks through assessment, now VC can do surgery that eliminates the avoidable risks. It may consider to engage less economic actors of the firm while committing the investments. It may make a careful analysis of the collateral being offered including entire business strategy. Some hazards pose critical problems for a project, such as loss of key personnel, budget fluctuations, project management failures, patent or license infringement. In the sense of proactive risk management, near misses must be recorded with a respective early warning system (*e.g.* incident reporting system), which also includes analysis, the derivation of corrective measures and a performance review for implementation.

Risk Control -Investment in venture capital schemes naturally necessitate a higher degree of risk than conventional investments even it is well considered and analysed. Hence how to mitigate and control the risk becomes imperative. If VC has lost investments in some ventures, it triggers a domino effect. It usually manifests as an initial loss which is frequently underestimated. Therefore, there is need to control the risks to become the cascading effect. It can be done either complete embargo on funding or actively involvement in the managerial functioning. In the managerial function, it has the biggest challenge is to establish clear, prioritized objectives. It has to ruthlessly abandon the activities which are the hindrance in success.

Now, the VCs have strategy and policy for handling various risks emanating from the venture investment. The advantage of this matrix is to attain a high degree of investment competence, well developed codified systems, competitive profile in development and implementation of loss prevention concepts including business continuity management. Employing the aggregate of these means, reducing the substantial amount of risks in financial loss in any venture investment. Depending on the size, geographical spread and the structure of the partnership, each venture capital organization has its own particular way of handling these risks. There can not be one size fits all.

Equilibrium - Venture capital has always been a risky business. Its biggest risk today is the industrialization of the business. Venture capital requires several investment cycles which is a long-term proposition. Globalization trend in every segment may cause to lose sight from one of the basic principles *i.e.* patience. We have been led to believe that to get the reward in a shortest possible time otherwise there is a failure. Globalization in venture capital management should not be construed which are spread across the globe with large pools of venture capital available. It has to be understood that it invests small money in big people with big ideas. The numbers game will not work; the people game will. It can be the weaving of global information flow and exchange of ideas. Venture capitalists should not think in terms of putting money to work. That is a terrible term. The time value of money is close to infinite. We should think in terms of putting entrepreneurship to work, with as little money as possible. Less money, more creativity. Further, it is essential that we should think individual opportunities. There should not be linkage of one venture investment to other venture.

Conclusion VCs cannot afford to be too averse to risk. Meanwhile, VCs need to more vigilant with appropriate risk appetite in their approach. I think that the blessings of risk matrix on the part of the VCs would be:

- superior degree of investment competence.
- inculcating risk management in the philosophy.
- easier decision making ability.
- assortments of tools available.
- implementation of loss prevention at early stage.

Employing the aggregate of above means in risk management, I am confident that VCs will be able to overcome many difficulties. These means significantly strengthen prerequisites of venture investment practices and in attaining goal for all involved. It should be the endeavor for VCs to successfully integrate these means as a sustainability strategy for the successful outcome in their venture investments.

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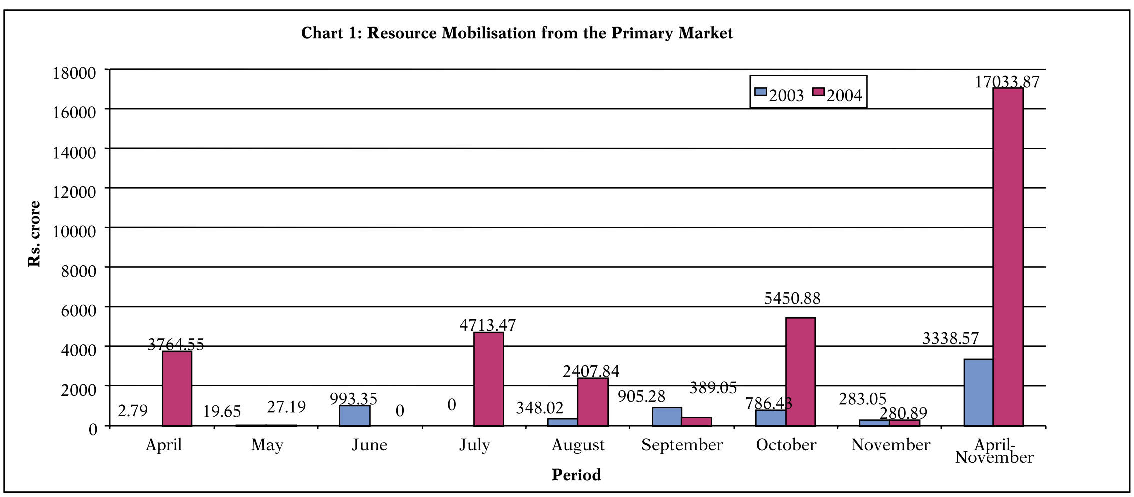
Market Review

November 2004 has ushered in a fresh lease of activity into the Indian capital market. After the zooming crackers of the festivities of November, it was the turn of the indices to ascend the stratospheric levels. Historical records were attained in Sensex as the curtains drew the month to a close. The markets surged forward with renewed vigour as the Sensex has crossed the symbolic level of 6000 and at present is hovering around 6300. The market is on a high swing on the strength of the augmented fund flows from the foreign institutional investors. The perceived strength in the fundamentals of the economy, a weakening dollar, good corporate results and robust foreign exchange reserves have aided and abetted the high ride.

I. Developments in the Primary Market

In November 2004, there were 6 issues worth Rs. 280.89 crore in terms of resources mobilized from the primary market. Of the 6 issues, 4 were public issues worth Rs. 228.65 crore and 2 were rights issues worth Rs. 52.24 crore. The amount raised was quite similar in comparison with that in November 2003, when an amount of Rs. 283.05 crore was mobilized from the primary market. However, the share of November is quite low in view of the huge amounts raised in the previous months.

The period April-November 2004 saw 34 issues worth Rs. 17, 033.87 crore mopped up in terms of corporate finance. In contrast, in April-November 2003, there were 23 issues worth Rs. 3,338.57 crore. Thus, the amount raised from the primary market has increased by about 410 per cent in the present period over the previous.



Of the 6 equity issues, 5 were issued at premium and 1 at par in the month of November 2004. For the entire period of April-November 2004, 25 equity issues worth Rs. 16,515.75 crore were issued at premium and 8 issues worth Rs. 516.65 crore were issued at par. During the same period in 2003, 14 issues worth Rs. 2,403.39 crore were issued at premium while 7 issues worth Rs. 69.53 crore were issued at par.

In November 2004, the all 6 issues were raised by the private sector. During the period April-November 2004 there were 33 issues in the private sector and 1 from the public sector. During the period April- November 2003, only 16 issues worth Rs. 1,268.99 crore were raised from the private sector and 6 from the public sector.

As regards region-wise, 4 issues worth Rs. 118.58 crore were raised from the western region and 1each was raised from the northern and southern region. During April-November 2004, 19 issues were raised from the western region, 7 from the northern region and 4 each from eastern and southern region. In April-November 2003, 7 issues each were raised from the western and southern region, 5 from northern and 4 from eastern region.

The industry-wise classification shows that there was one issue each from chemical, printing, telecommunication and 2 issues from food processing industry. Amount wise, the largest quantum was raised by the printing sector. The industry wise per cent share in the amount raised from the capital market is shown in the following table.

TABLE 1

INDUSTRY-WISE PER CENT SHARE IN THE CAPITAL RAISED

Industry	*April-November 2004*	*April-November 2003*
Banking/FIs	21.36	52.11
Cement & Const.	0.14	0.00
Chemical	0.75	11.83
Electronics	0.36	0.32
Engineering	0.78	29.75
Entertainment	0.76	0.45
Finance	0.39	0.04
Food Processing	1.85	0.24
Health Care	0.00	0.00
Info. Tech.	28.34	3.32
Misc.	12.85	0.46
Paper & Pulp	0.00	0.00
Plastic	0.00	0.00
Power	31.51	0.00
Printing	0.76	0.00
Telecommunication	0.15	0.00
Textile	0.00	1.46
Total	**100.00**	**100.00**

There was no corporate debt listing in the Bombay Stock Exchange in November 2004. The resources mobilized through the corporate debt segment have declined considerably from the second quarter of the current financial year. In November 2003, there were 13 debt instruments worth Rs. 385 crore in BSE.

TABLE 2

BSE - CORPORATE DEBT LISTING

(Amount in Rs. crore)

Year/ Month	*Aggregate*		*Private Placement*						*Public Offering*					
	No. of Instru-ments	*Amt.*	*Total*		*Listed cos.*		*Unlisted cos.*		*Total*		*Listed cos.*		*Unlisted cos.*	
			No.	*Amt.*	*No.*	*Amt.*	*No.*	*Amt.*	*No.*	*Amt.*	*No.*	*Amt.*	*No.*	*Amt.*
November-03	13	385	13	385	0	0	13	386	0	0	0	0	0	0
December-03	18	1,175	17	688	5	486	12	202	1	486	1	486	0	0
January-04	22	2,541	21	1,953	3	40	18	1,913	1	588	1	588	0	0
February-04	16	1,648	15	1,125	5	445	10	680	1	523	1	523	0	0

(Amount in Rs. crore)

Year/ Month	Aggregate		Private Placement						Public Offering					
	No. of Instru-ments	Amt.	Total		Listed cos.		Unlisted cos.		Total		Listed cos.		Unlisted cos.	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
March-04	42	3,446	41	2,649	4	349	37	2,300	1	797	1	797	0	0
April-04	18	2,820	17	1,234	1	75	16	1,159	1	1,586	1	1,586	0	0
May-04	13	1,917	13	1,917	0	0	13	1,917	0	0	0	0	0	0
June-04	11	1,970	11	1,970	6	785	5	1,185	0	0	0	0	0	0
July-04	8	425	8	425	1	200	7	225	0	0	0	0	0	0
August-04	7	286	7	286	4	216	3	70	0	0	0	0	0	0
September-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0
October-04	2	60	2	60	0	0	0	0	0	0	0	0	0	0
November-04	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Source : BSE

TABLE 3

NSE-CORPORATE DEBT LISTING

Month/ Year	Private Placement			Public Offering			Aggregate Issues		
	Total No. of Listed Companies	Total No. of issues	Amount (Rs. crore)	Total No. of Listed Companies	Total No.of issues	Amount (Rs. crore)	Total No. of Listed Companies	Total No. of Issues	Amount (Rs. crore)
Oct-04	11	24	2,614.22	0	0	0.00	11	24	2614.22
Nov-04	3	8	749.51	0	0	0.00	3	8	749.51

Data includes only newly listed issues for the period

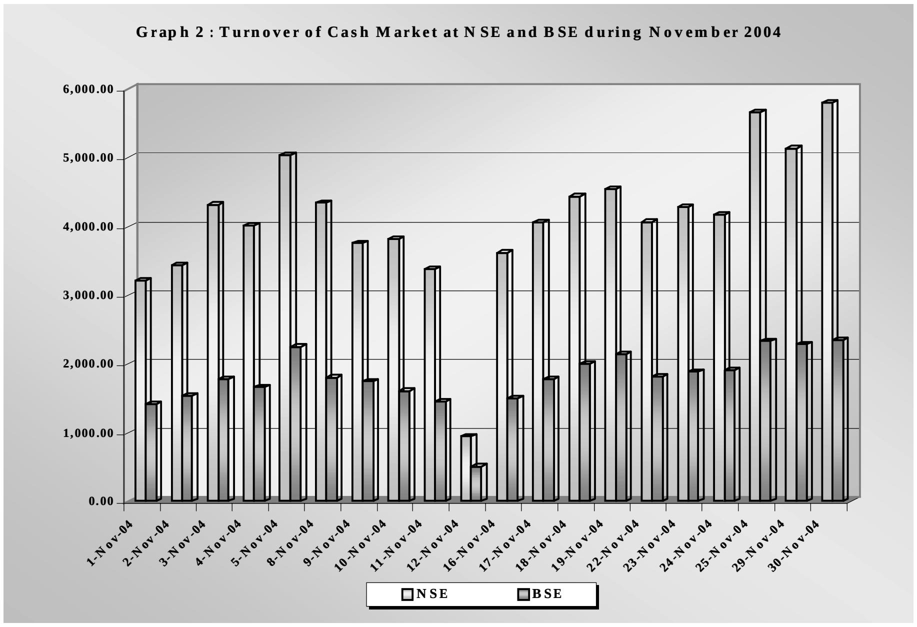
Source : NSE

The corporate debt listings in NSE have also shrunk as there were 8 instruments worth Rs. 749.5 crore. There is a decline of 200 per cent in the number of debt instruments and 248 per cent in the amount raised over the previous month.

II. Developments in the Secondary Market

Cash Market

During the month of November 2004, NSE registered a turnover of Rs 82,035.27 crore and BSE registered a turnover of Rs. 35,742.27 crore, a rise of 8.37 per cent and 3.28 per cent respectively, over the previous month. The daily share in the turnover is presented in Chart 1, which shows that NSE's turnover is more than twice that of BSE turnover during the month on an average. Highest turnover of Rs. 5,803.99 crore was recorded on November 30, 2004 at NSE and Rs. 2,346.21 crore at BSE on the same day.



The market capitalisation of BSE listed stocks recorded Rs. 15,39,595 crore, a jump of Rs. 2,02,404 crore during the month. This also takes into account new listing of stocks like NTPC during the month. The Sensex PE ratio at the end of the month at 18.79 is up by 153 basis points during the month. The Sensex reached an intra-day high of 6248.43 on November 30, 2004 to close at a historical high of 6234.29. During the year, on January 8, 2004, the Sensex closed at 6108.54 and recorded the highest PE ratio of 20.21 which was higher by 143 basis points than the November 2004 PE ratio. On January 9, 2004, Sensex has recorded an intra-day high of 6249.6 and closed the day at 6119.59 with a PE ratio of 20. 11. Returns of BSE indices during the month shows that Sensex rose by 9.29 per cent and BSE - 500 broad index rose by 9.20 per cent. Among the sectoral indices, Bankex rose by 18.03 per cent followed by FMCG index by 15.14 per cent and Teck index by 11.56 per cent. Across the board, all the indices rose during the month with Oil index showing an increase of 1.64 per cent. Table 1 shows the average returns of the indices and volatility. Bank index had shown the highest average daily returns of 0.88 for the month with a low intra-day volatility. The Volatility 1 denotes intra-day variation and Volatility 2 denotes inter-day volatility. Consumer goods and Capital goods indices recorded the highest intra-day volatility.

TABLE 4

BEHAVIOUR OF BSE INDICES DURING THE MONTH OF NOVEMBER 2004

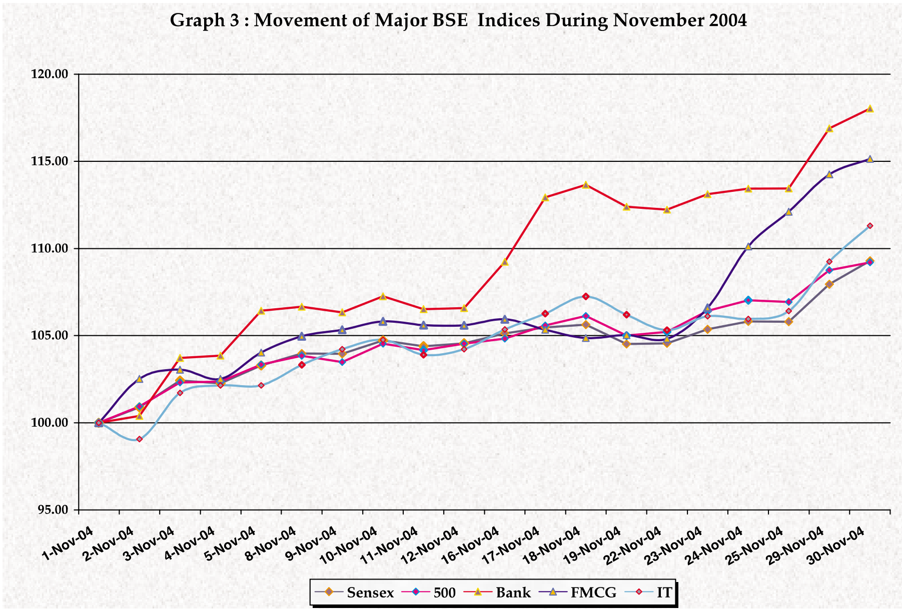
(in per cent)

Index	*Mean*	*Volatility 1*	*Volatility 2*
Sensex	0.47	0.70	0.69
BSE-100	0.49	0.65	0.65
BSE - 200	0.45	0.65	0.66
BSE-500	0.47	0.64	0.65
PSU	0.43	0.86	0.99
Teck	0.59	0.98	0.87
IT	0.59	1.05	1.05
FMCG	0.73	0.99	1.06
Capital Goods	0.38	1.42	0.57
Consumer Goods	0.52	1.70	1.12
Health Care	0.22	0.91	0.80
Bank	0.88	1.13	1.32
Auto	0.49	0.90	1.04
Metal	0.53	1.19	0.83
Oil	0.09	1.19	1.14

Source : Data from BSE

The Bank index has recorded highest daily average returns of 0.88 per cent followed by FMCG index with 0.73 per cent. As reflected by volatility 1, the intra-day volatility seems to be rising moderately above the inter-day volatility. The Sensex daily intra-day volatility is 0.70 per cent which is one basis point above inter-day volatility. The capital goods index has registered highest intra-day volatility *vis-à-vis* inter-day volatility. On the contrary, the FMCG index has shown lower intra-day volatility than inter-day volatility even though it has registered highest returns during the month.

The returns of NSE indices during the month are presented in table 5. The Bank index recorded highest returns with 19.6 per cent followed by FMC index with 15.32 and in third place is Services index with 13.31 per cent rise. While S&P CNX Nifty registered a jump of 8.96 per cent, Nifty



junior recorded higher returns of 10.76 per cent. The CNXIT registered 11.75 per cent rise and Midcap index showed a jump of 12.13 per cent. NSE - 500 index showed a jump of 9.44 per cent. The lowest rise was registered by PSE index at 4.79 per cent. Based on the tables, it is evident that the rally is broad based during the month of November 2004. The PE ratio of S&P CNX Nifty closed the month at 16.39.

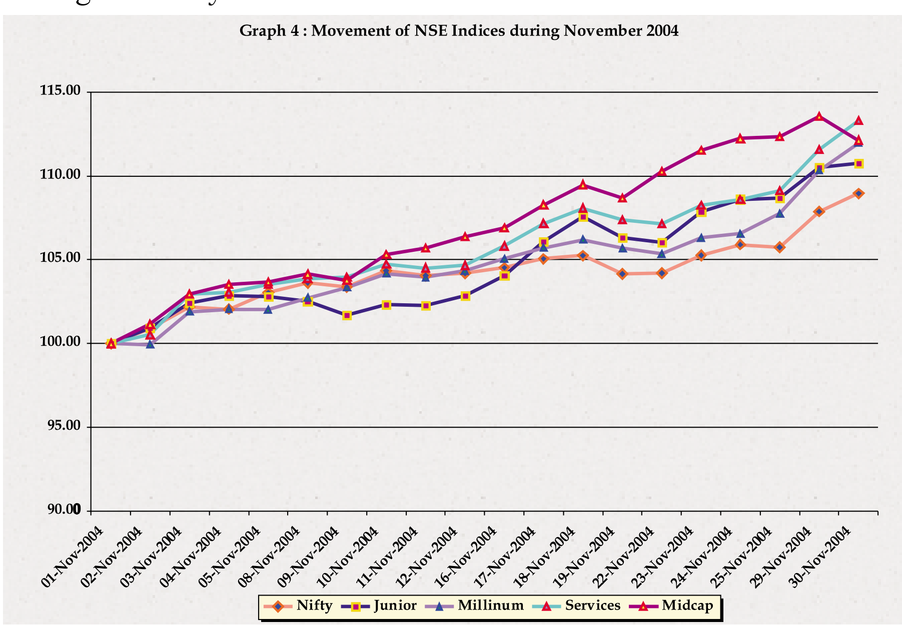


TABLE 5

BEHAVIOUR OF NSE INDICES DURING SECOND WEEK OF NOVEMBER 2004 (IN PER CENT)

Index	*Mean*	*Volatility 1*	*Volatility 2*
Bank	0.97	Not Available	1.32
FMC	0.73	Not Available	0.99
CNXIT	0.58	1.13	0.95
MidCap	0.60	0.81	0.76
MILLI	0.59	Not Available	0.73
MNC	0.53	Not Available	0.64
PSE	0.25	Not Available	1.07
Services	0.67	Not Available	0.77
CNX 500	0.48	0.66	0.66
S&P CNX Nifty	0.46	0.74	0.68
Dollex - 50	0.54	0.76	0.73
CNX Junior	0.55	0.75	0.86

Source : Data from NSE

Derivatives Market

BSE derivatives turnover amounts to Rs. 4,694.82 crore, a rise of 42.68 per cent over previous month. The turnover was mainly contributed by Sensex options. NSE Derivatives segment recorded a turnover of Rs. 1,75,935.5 crore with average turnover of Rs. 8796.78 crore - a fall in the monthly turnover to the tune of Rs. 6,284 crore over previous month. The highest turnover of Rs. 15,446 crore was recorded on November 25, 2004 which was also the last day of the trading for November month contracts.

The derivatives volumes showed a jump of 87.26 per cent over cash volumes. The average stock futures volumes accounted for 62.27 per cent of derivatives volumes followed by Index futures volumes with 23.79 per cent, stock options with 8.38 per cent and Index options with 5.56 per cent. The put-call ratio of the indices amounted to 86.16 per cent and stock put-call ratio of 26.26 per cent. Based on put-call ratio there is bullish trend in the market.

TABLE 6

DERIVATIVES MARKET SCENARIO FOR THE MONTH OF NOVEMBER 2004 (IN PER CENT)

Date	*Index Futures Turnover as %age of Total Turnover*	*Stock Futures Turnover as %age of Total Turnover*	*Futures Turnover as %age of Total Turnover*	*Index Options Turnover as %age of Total Turnover*	*Stock Options Turnover as %age of Total Turnover*	*Options Turnover as %age of Total Turnover*	*Derivatives Turnover as %age of Cash Turnover*	*Two Indices Put-Call Ratio in %ages*	*All 52 Stocks Put-Call Ratio in %ages*
1-Nov-04	24.09	62.70	86.78	4.99	8.23	13.22	194.59	60.82	26.85
2-Nov-04	24.85	60.93	85.78	6.21	8.01	14.22	198.85	80.85	24.26
3-Nov-04	25.58	59.64	85.21	6.77	8.02	14.79	221.54	83.81	27.88
4-Nov-04	23.18	62.90	86.08	6.26	7.66	13.92	185.50	107.11	28.67
5-Nov-04	22.38	64.15	86.53	3.96	9.51	13.47	155.76	81.87	23.92

Date	*Index Futures Turnover as %age of Total Turnover*	*Stock Futures Turnover as %age of Total Turnover*	*Futures Turnover as %age of Total Turnover*	*Index Options Turnover as %age of Total Turnover*	*Stock Options Turnover as %age of Total Turnover*	*Options Turnover as %age of Total Turnover*	*Derivatives Turnover as %age of Cash Turnover*	*Two Indices Put-Call Ratio in %ages*	*All 52 Stocks Put-Call Ratio in %ages*
8-Nov-04	24.01	62.06	86.08	5.64	8.28	13.92	191.25	82.89	26.32
9-Nov-04	24.00	61.94	85.94	5.77	8.30	14.06	190.58	87.31	26.21
10-Nov-04	23.83	62.14	85.97	5.68	8.35	14.03	188.92	88.60	26.60
11-Nov-04	23.48	62.64	86.12	5.46	8.42	13.88	182.40	89.56	26.34
12-Nov-04	23.54	62.59	86.13	5.30	8.57	13.87	181.78	86.04	25.88
16-Nov-04	23.77	62.27	86.04	5.57	8.38	13.96	186.99	86.88	26.27
17-Nov-04	23.72	62.31	86.04	5.56	8.40	13.96	186.13	87.68	26.26
18-Nov-04	23.67	62.39	86.06	5.52	8.43	13.94	185.25	87.75	26.27
19-Nov-04	23.64	62.44	86.08	5.48	8.44	13.92	184.51	87.58	26.20
22-Nov-04	23.67	62.40	86.07	5.49	8.45	13.93	184.93	87.19	26.18
23-Nov-04	23.69	62.36	86.06	5.52	8.42	13.94	185.56	87.42	26.24
24-Nov-04	23.68	62.38	86.06	5.51	8.43	13.94	185.28	87.52	26.23
25-Nov-04	23.67	62.39	86.06	5.50	8.43	13.94	185.11	87.49	26.22
29-Nov-04	23.67	62.40	86.07	5.50	8.43	13.93	185.08	87.44	26.21
30-Nov-04	23.68	62.39	86.06	5.50	8.43	13.94	185.19	87.41	26.21
Average	23.79	62.27	86.06	5.56	8.38	13.94	187.26	86.16	26.26

Source : Data from NSE and BSE

Stock futures at NSE were very liquid and the volumes on an average for the stocks range between 2 to 4 times that of cash market turnover. During the month, ICICI Bank average stock futures turnover is 4.61 times of cash market turnover closely followed by ACC with a ratio of 4.13 and in third place TISCO with a ratio of 3.8. The table 7 shows that HDFC and HDFC Bank futures trading volumes were less than that of cash market. The rest of the stock futures were highly liquid

TABLE 7

STOCK FUTURES AS PER CENT OF CASH VOLUMES DURING NOVEMBER 2004

Company	*Average (%)*
ACC	413.02
ANDHRABANK	199.16
ARVINDMILL	318.75
BAJAJAUTO	153.52
BANKBARODA	241.03
BANKINDIA	237.76
BEL	193.61
BHEL	204.17
BPCL	128.51

Company	*Average (%)*
CANBK	162.90
CIPLA	162.79
DRREDDY	222.70
GAIL	191.28
GRASIM	226.02
GUJAMBCEM	299.62
HCLTECH	306.70
HDFC	87.52
HDFCBANK	99.98

Company	*Average (%)*
HEROHONDA	126.34
HINDALCO	132.60
HINDLEVER	122.73
HINDPETRO	186.25
I-FLEX	118.69
ICICIBANK	461.37
INFOSYSTCH	148.71
IPCL	247.37
ITC	127.01
IOC	138.82
M&M	265.25
MARUTI	163.34
MASTEK	297.22
MTNL	231.94
NATIONALUM	181.22
NTPC	76.74
ONGC	148.92
ORIENTBANK	231.83
PNB	204.98
POLARIS	277.21
RANBAXY	188.47
REL	227.89
RELIANCE	165.71
SATYAMCOMP	229.52
SBIN	202.55
SCI	216.65
SYNDIBANK	335.37
TATAMOTORS	270.26
TATAPOWER	235.40
TATATEA	333.41
TCS	238.49
TISCO	380.27
UNIONBANK	252.26
WIPRO	207.79

Source: Data from NSE and BSE

The average open interest as percentage of futures reveals a different picture with Polaris standing first with 664.74 per cent followed by I-flex with 580.04 per cent followed by Dr. Reddy with 481.03 per cent. The open interest in any given contract shows the quantity of contracts which are not closed out at that point of time. The CNXIT index future was more attractive than Nifty based on this statistic with an open interest of 220.03 per cent.

TABLE 8

OPEN INTEREST AS PER CENT OF CONTRACT TURNOVER

Company	*Average (%)*
S&P CNX NIFTY	120.27
CNXIT	220.03
ACC	189.77
ANDHRABANK	140.75
ARVINDMILL	160.71
BAJAJAUTO	246.30
BANKBARODA	219.44
BANKINDIA	193.59
BEL	321.16
BHEL	255.58
BPCL	116.25
CANBK	138.05
CIPLA	301.73
DRREDDY	481.03
GAIL	172.31
GRASIM	349.76
GUJAMBCEM	214.87
HCLTECH	204.70
HDFC	219.37
HDFCBANK	199.31

Company	Average (%)
HEROHONDA	259.57
HINDALCO	282.25
HINDLEVER	387.37
HINDPETRO	145.28
I-FLEX	580.04
ICICIBANK	234.01
INFOSYSTCH	123.90
IPCL	434.71
ITC	205.47
IOC	137.42
M&M	170.37
MARUTI	164.94
MASTEK	452.08
MTNL	207.85
NATIONALUM	462.24
NTPC	226.91
ONGC	226.52
ORIENTBANK	328.00
PNB	176.04
POLARIS	664.74
RANBAXY	285.94
REL	649.35
RELIANCE	137.43
SATYAMCOMP	51.70
SBIN	172.50
SCI	326.45
SYNDIBANK	336.12
TATAMOTORS	88.29
TATAPOWER	121.20
TATATEA	474.94
TCS	228.94
TISCO	175.36
UNIONBANK	134.69
WIPRO	125.33

Source: Data from NSE and BSE

The average annualized cost of carry reveals a positive cost of carry for majority of the futures contracts. Starting from April 2004, market has seen a negative cost of carry till September 2004 and moved to positive only during October 2004 and the pattern is sustained in the current month as well. This shows the confidence of investors in the current rising market which is broad based. The highest cost of carry was recorded for Polaris with 28.05 per cent followed by REL with 27.12 per cent.

TABLE 9

ANNUALISED AVERAGE COST OF CARRY FOR STOCK FUTURES *(in per cent)*

Company	Average (%)
S&P CNX NIFTY	2.94
CNXIT	-5.67
ACC	16.78
ANDHRABANK	14.87
ARVINDMILL	4.66
BAJAJAUTO	7.36
BANKBARODA	9.22
BANKINDIA	13.60
BEL	-3.51
BHEL	14.52
BPCL	-10.99
CANBK	11.37
CIPLA	13.89
DRREDDY	-3.84
GAIL	13.97
GRASIM	14.70
GUJAMBCEM	5.81
HCLTECH	15.45

Company	Average (%)
HDFC	-3.03
HDFCBANK	4.70
HEROHONDA	-20.92
HINDALCO	11.71
HINDLEVER	-0.55
HINDPETRO	-0.55
I-FLEX	25.14
ICICIBANK	19.41
INFOSYSTCH	6.33
IPCL	25.96
ITC	-12.14
IOC	16.23
M&M	10.51
MARUTI	7.35
MASTEK	25.22
MTNL	14.33
NATIONALUM	-1.97
NTPC	24.94

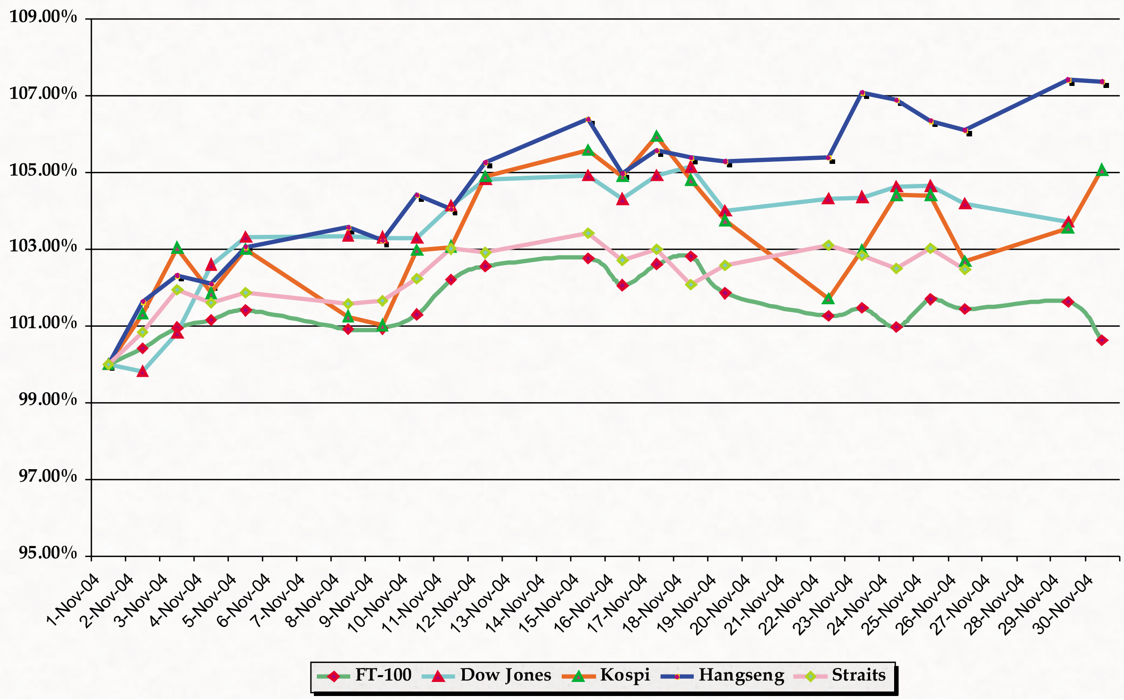
Company	Average (%)
ONGC	13.90
ORIENTBANK	15.78
PNB	-4.25
POLARIS	28.05
RANBAXY	13.59
REL	27.12
RELIANCE	20.89
SATYAMCOMP	2.12
SBIN	20.94
SCI	19.21
SYNDIBANK	25.62
TATAMOTORS	-10.57
TATAPOWER	-2.94
TATATEA	20.92
TCS	12.54
TISCO	20.13
UNIONBANK	18.39
WIPRO	-12.90

Source: Data from NSE and BSE

III. World Markets

Major world stock markets show a rise in their trading activities during the month of November 2004. Hangseng was the only index that rose over 7.38 per cent during the month and ended the month with a rise of over 43 points with index level reaching 14060.05. It was followed by Kospi index rising at 5.07 per cent to close the index at 878.06 and Dow Jones Industrial Average rising at 3.72 to close the month at 10428.02. The remaining indices, FT-100 rose by 0.68 per cent with the index level of 4703.2 followed by rise of 2.47 per cent in Singapore Strait Times with the level of 2027.66 at the end of the month.

Graph 5 : Movement of Major International Indices During November 2004



From the derivatives markets data available from World Stock Exchanges, it is evident that Asia Pacific markets are playing a significant role in world equity derivative market. The stock futures share during October 2004 rose to 67.9 per cent compared to previous months share of 41.87 per cent in terms of number of contracts traded. In stock futures America has nearly zero share in the world market and Europe, Africa and Middle East have also lost their share during October with 32.25 per cent, a fall of 45 per cent over previous month. Among the Asia Pacific, India's NSE share is a whopping 99 per cent in Asia block. In stock options trading volumes, Americas lead the world with a whopping share of 53.87 per cent followed by Europe, Africa and Middle East with 43.64 per cent and the Asia Pacific block has a insignificant share of 2.48 per cent in the World.

In the diversified index derivatives trading category, again Asia Pacific takes a lion's share of 86.26 per cent in October 2004 in Stock Index Options turnover with the Korean domination in the market. A distance second place is occupied by Europe, Africa, Middle East with 9.01 per cent followed by Americas with 4.73 per cent share in this product. However, Americas recaptured leadership in stock index futures trading product with a share of 45.34 per cent followed by Europe, Africa, Middle East with 34.90 per cent and a distant Asia Pacific with 19.75 per cent. The below table clearly shows the dominance of Asia Pacific in the world equity derivative markets.

TABLE 10

WORLD EQUITY DERIVATIVE MARKET SCENARIO IN NUMBER OF CONTRACTS

	October 2004		September 2004	
	Stock Options	**Single Stock Futures**	**Stock Options**	**Single Stock Futures**
Americas	53.87	0.00	52.51	0.00
Europe, Africa, Middle East	43.64	32.25	44.99	58.13
Asia, Pacific	2.48	67.92	2.50	41.87
	Stock Index Options	**Stock Index Futures**	**Stock Index Options**	**Stock Index Futures**
Americas	4.73	45.34	5.21	39.31
Europe, Africa, Middle East	9.01	34.90	9.40	40.76
Asia, Pacific	86.26	19.75	85.40	19.93

Source: Data from World Stock Exchanges

IV. Trends in Foreign Institutional Investment

The FIIs were on the upswing throughout the month of November 2004. Record FII inflows of US$1782.8 million were attained in the month taking the total net inflows during the calendar year to US$6958.7million. The cumulative FII net investment for the current financial year including equity and debt segment amounted to US$4104.3 million, of which 85 per cent comprised of the inflows in October and November. During April- November 2004, a total of US $ 4589.2 million flowed into the equity segment compared to US$4890.2 million during April-November 2003. In November 2004, the total FII investment into India was Rs. 8185.3 crore of which 82 per cent was invested in equity. In contrast in November 2003, the total FII investment was Rs. 3594.1 crore. The percentage increase in the total net inflows in November 2004 compared to that of 2003 is 128 per cent. The total No. of FIIs and sub accounts registered in India as on November 30, 2004 is 628 and 1749, respectively.

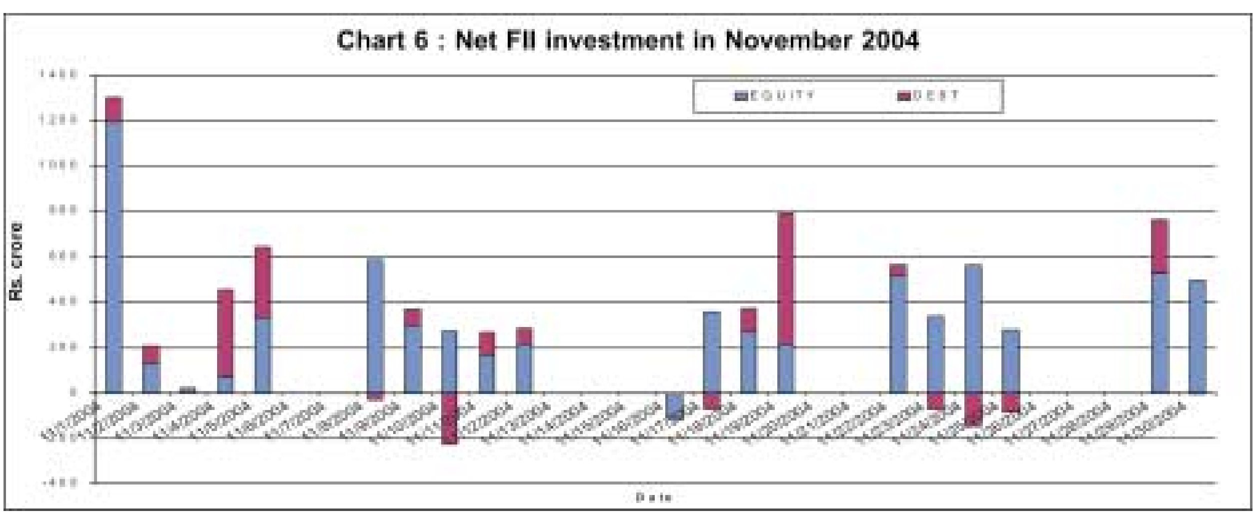
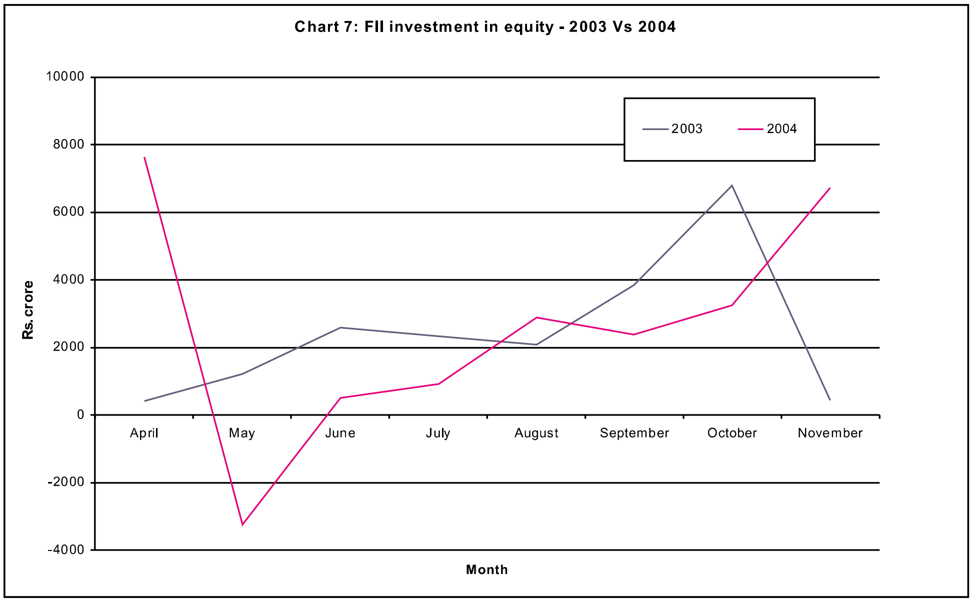


Chart 6 : Net FII investment in November 2004



The pattern of net investment by FIIs in equity on a monthly basis in 2004 is a mirror image of that of 2003. The lowest point in 2004 was reached in May when there was a net outflow from the equity segment and by November it reached the highest. The net FII investment in equity in 2003 was on an uptrend until October after which there was a huge southward movement in November.

IN FOCUS : THE FACETS OF FII INVESTMENT

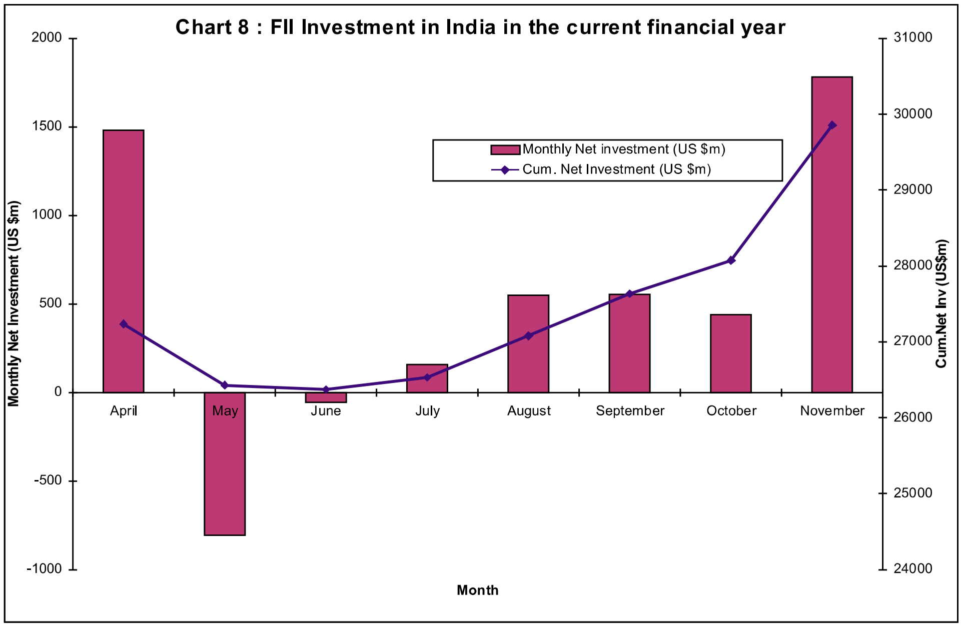
"India could be a bigger growth story than China over the long run. India could become one of the world's three largest economies in less than 30 years."

(Source: "India: Realising BRIC's Potential" Goldman Sachs report, Global Economic Paper No.109, April 14 2004)

"India is the stock market with the greatest short-term and long-term potential in Asia. Indian economy has progressed significantly over the past 10 years, while, more importantly, its corporate sector has experienced what could be described as a glorious revolution. India has no systemic risk built into its future unlike some other countries."

(Source: CLSA Report, of Summer 2003)

The India story continues as the stock markets entered a new phase in November 2004. The Sensex crossed the 6000 mark with a rejuvenated sentiment spreading around. The raison d'être for the boom was the spate of FII inflows into the equity segment. In fact, the total inflow in this calendar year has crossed US $6.9 billion as on November 30, 2004.

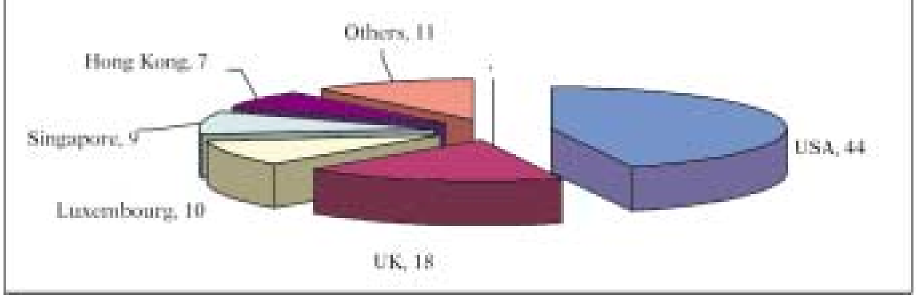


The flush of FII investment into Indian equity segment can be attributed to an array of factors. Since the beginning of the calendar year, there has been a stream of fresh capital inflows into the primary market segment in the form of initial public offers. A series of mega issues were unveiled which supported in building up a sustained FII interest in the Indian market. The issues spanned from the public sector stalwarts like ONGC, GAIL, NTPC and private sector biggies like TCS, Sterlite and ICICI. Another strong factor for the accelerated FII inflows is the weakening dollar and hence the strengthening rupee. The economy remained on a healthy plank as the real GDP growth was at quite high levels in the financial year. The relative attractiveness of the Indian economy compared to other emerging markets has accentuated the trend. In addition, the resilience posed by the Indian economy in the face of international and domestic financial downturns - India is one of the few countries in the world to have implemented the macroeconomic and financial reforms without any major hazards or upsets.

A few statistics outlined below shows some of the facets of India as one of the emerging FII destination.

The chart 9 shows the share of countries in the total net foreign institutional investment into India. USA dominates as its share in the total net foreign institutional investment accounts to about 44 per cent. It is followed by UK at 18 per cent and Luxemburg at 10.12 per cent.

Chart 9 : Country-wise share of net foreign institutional investment into India (in per cent)



Note: As on November 29, 2004

Chart 10 : No. of FIIs and Sub accounts registered in India (April-November 2004)

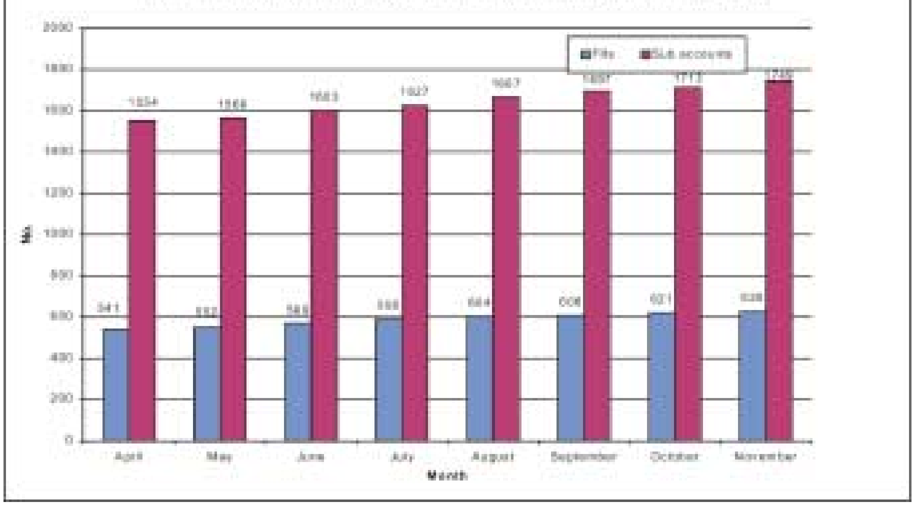
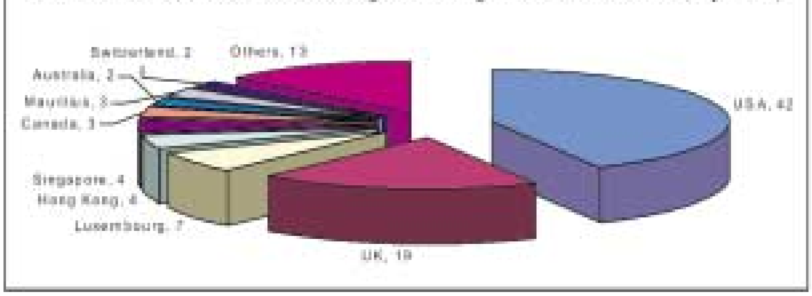
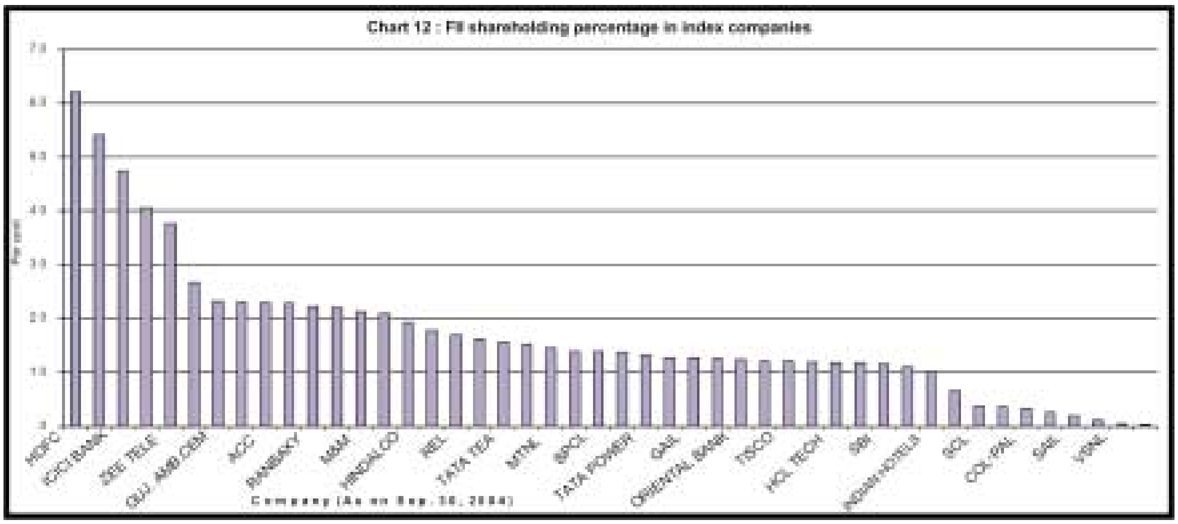


Chart 11 : Country-wise share of SEBI registered foreign institutional investors (in per cent)



The country wise share of the registered foreign institutional investors in chart 11 show that USA accounts for the largest share *i.e.,* 42 per cent. UK and Luxemburg follows with 19 and 7 per cent respectively. In fact, the number of FIIs and sub accounts has shown a significant increase over recent period of time. There has been an addition of 195 sub accounts and 85 FIIs since the beginning of the financial year.

FIIs have been the most active players in the bourses in the financial year, especially for the past few months. The following chart shows the increased level of FII investment in India's large cap companies included in the Nifty index. The shareholding pattern of the nifty companies shows that nearly 15 companies have the FII shareholding in excess of 20 per cent.



Source: Data from NSE

The table below shows the pattern of correlation between sensex and net FII investment for May-November 2004.

TABLE 11

CORRELATION BETWEEN SENSEX AND NET FII INVESTMENT IN EQUITY (APRIL-NOVEMBER 2004)

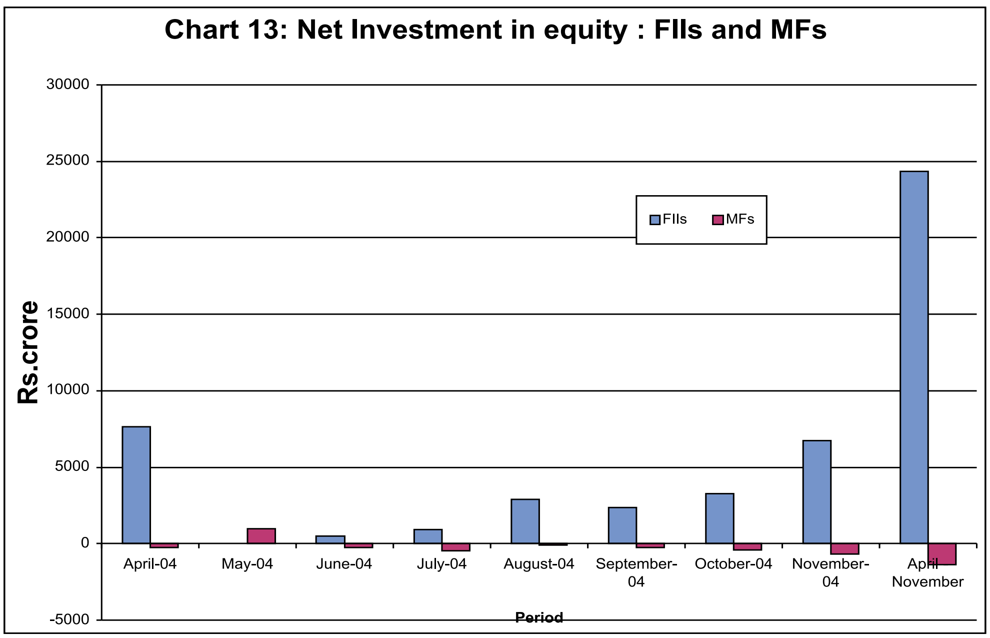
Month	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Correlation Values	-0.09	0.15	0.58	0.35	-0.31	0.39	0.19	-0.05

The correlation values are quite insignificant for all the months except July.

Looking ahead, with real interest rates scaling up, the FII interest in the debt segment is likely to go up. The implementation of reasonable FII investment limits of US$1.75 b in dated Government securities and T-bills and cap of US $ 500 million in the corporate debt route is likely to increase the FII interest further.

V. Trends in Mutual Fund Resource Mobilisation

The performance of mutual funds and FIIs in the Indian equity segment has been quite contrasting. While the inflow into the Indian equity segment by FIIs hit the highest in November 2004 that of mutual funds went for a toss. The highest net outflow in the current financial year from the equity segment by the mutual funds was recorded in November 2004 at Rs. 695.37 crore. The outflow from the equity segment by mutual funds is the third highest that has been recorded for the past four years. Prior to this, in January and February 2001 there was an exit of Rs. 902.54 crore and Rs. 1,236.72 crore respectively. The cumulative net outflow from the equity segment in the current financial year accounted to Rs. 1,388.35 crore. But the outflow from the debt market segment in October 2004 was reversed as the mutual funds invested Rs. 1,182.22 crore in the debt segment in November 2004. The overall inflow in the current financial year into the debt segment stood at Rs. 5,439.5 crore. On the whole, the total inflows inclusive of the equity and debt segment in November were Rs. 486.85. It is to be noted that in October there was a huge total outflow worth Rs. 886.35 crore. During April-November 2004 there was a total net inflow worth Rs. 4,051.15 crore.



On a scheme-wise basis the net inflow into the equity oriented schemes was Rs. 1,605.83 crore for the period April- November. The net inflow into the debt oriented schemes was Rs. 5,091.99 for the same period. During April -November 2004, there was a total net inflow of Rs. 6,740.38 crore for all categories of schemes. The total net asset of all mutual funds was Rs. 1,49, 581.25 crore as on November 30, 2004.

TABLE 12

RESOURCE MOBILISATION BY MUTUAL FUNDS

Period	Gross Mobilisation				Redemption*				Net Inflow			
	Pvt. Sec.	Public Sector	UTI	Total	Pvt. Sec.	Public Sector	UTI	Total	Pvt. Sec.	Public Sector	UTI	Total
Apr-04	63753	11193	4206	79152	50403	10194	4586	65183	13350	-380	999	13969
May-04	55356	-3227	3341	55469	50793	-3178	2476	50091	4562	-49	865	5378
Jun-04	62776	3973	4090	70840	60327	3922	4792	69041	2450	51	-702	1799
Jul-04	57961	5005	6669	69635	58783	4657	6458	69898	-822	348	211	-263
Aug-04	64060	30240	3090	97390	65527	36481	4629	106638	-1468	-6241	-1540	-9249
Sep-04	68359	-19949	2923	51334	72353	-25448	3526	50430	-3993	5500	-603	904
Oct-04	52074	3441	2769	58284	54949	4280	2772	62000	-2875	-839	-3	-3716
Nov-04	47229	3786	2376	53391	48473	4118	2882	55472	-1244	-332	-506	-2082

Gross redemptions exceeded gross mobilizations for all categories of mutual funds - public, private and UTI. The total net outflow of resources amounted to Rs. 2082 crore for November 2004.

Professional Rating of Intermediaries

Discussion Papers

A. NEED FOR INTERMEDIARIES RATING SERVICES (BROKERS)

In view of the developments that are taking place in the capital markets, the need to constantly upgrade and improve systems and procedures in operation as well as skill sets has gained considerable importance. Besides compliance with regulatory requirements has assumed significance to mitigate risk and ensure adequate protection of investors' interest.

In light of these developments, quality, competence, professionalism and standards of ethics being adopted by market intermediaries have become even more necessary. These developments underpin the need to measure and compare the relative competencies and standards of services of the intermediaries on these and other parameters in order to provide investors necessary information to compare the intermediaries.

One of the tools with which these parameters can be measured and indexed is the professional rating of intermediaries by independent rating agencies. The rating index would measure these intermediaries on laid down criteria and will be an indication of the relative strength of the financials and other parameters of the intermediary. A few of the rating agencies in India have already begun the exercise. SEBI would be discussing the methodology with them to refine it further and intends to encourage market intermediaries to get themselves rated.

B. RATING OBJECTIVES/BENEFITS

The intended objectives of rating as well as benefits accruing from the exercise are thought of as below:

1. It is expected to spur growth of professionally managed entities as business development and opportunities would result from such an exercise.
2. Investors interest may gain more importance. Investors would be knowledge investors and will be informed about the standing of the entity.
3. Rated entity would be in a position to brand its image and capitalise the same for generating more business.
4. Benchmarking with others in the field is expected to constantly improve and upgrade the performance.
5. Risk management systems and procedures are expected to improve as this will be a vital rating criteria.
6. Process of consolidation of entities is expected to start as focus would be either to shape up or ship out.
7. Overall compliance standards are expected to improve as a result.
8. In a nutshell, the product may accrue significant benefits to all stakeholders.

C. ROLE OF CREDIT RATING AGENCIES

Rating of intermediaries based on well defined parameters would be done by the credit rating agencies registered with SEBI under SEBI (Credit Rating Agencies) Regulations, 1999. Rating agencies interested in doing rating exercise would be required to develop suitable rating process, methodology and parameters in this regard. Rating parameters are expected to cover the entire process flow and operations of the rated entities to take a holistic view while awarding a particular rating.

D. RATING- OPTIONAL OR MANDATORY

While the product for rating of intermediaries would be encouraged to be introduced in the markets, it is felt that the demand for the product should come from the market itself instead of any imposed obligation on the intermediaries to go for it. Further, with the relative maturity of the markets and self-imposed code of discipline, which arises out of such maturity, the demand for product is expected to rise as more and more intermediaries would like to get themselves rated and measured.

It is further observed that a similar approach has been followed by the rating agencies while introducing Corporate Governance and Wealth Creation and Management Index. While the index has not been mandated, companies in their pursuit to achieve higher and higher levels of governance standards are on their own getting themselves rated. Similarly, for market intermediaries also, as the process of consolidation and need to shape up gains momentum, the role and significance of such an index would be felt more and more by them. The rating product is also expected to shore up the interests of investors in the capital markets' as a highly rated entity is expected to be more concerned with protection of investors' interests in all its dealings.

E. RATING APPROACH/COMPONENTS OF RATING

It is expected that rating methodology should invariably cover the following points while taking a rating decision:

1. Organization structure:

Legal structure of the firm, ownership pattern and organization structure which would include physical and technological infrastructure, adequacy and competence of personnel, qualification and professionalism of the top management, checks and balances built into the system, information flow etc.

2. Risk Management Policy and System:

The risk management practices and risk appetite of the entity, systems and procedures for managing different types of risk, policy on giving exposure to and collection of margin and pay-ins from clients, sub brokers etc. This would also include analysis of clients mix (retail/institutional), extent of proprietary trading, day trading, etc.

3. Policy on Investors interest:

The Management policy on ensuring fair dealing for clients, time taken to make pay- out of money as well as securities to clients including the end clients of sub brokers, policy on handling investors grievances and time taken to settle the complaints and steps taken to ensure non repetition of the same etc.

4. Organization process and procedures:

The flow of work pattern in the organization, possible bottlenecks which may affect the performance of functions, procedures adopted by the entity in dealing with different facets of operations including opening of new accounts, executing trades, issuance of contract notes/bills to clients, executing agreements, obtaining clients information, operating bank accounts, DP account, dealing with sub brokers etc.

5. Management policy on compliance:

The importance attached to the concept of compliance in the organization, role and relative importance of the compliance officer, information flow from/to compliance officer, actual compliance with various rules/regulations/circulars/bye laws of SEBI/stock exchanges etc., steps taken by the management to ensure that problematic areas are addressed promptly etc.

6. Financials:

The financial strength of the entity as judged from its net worth, capital structure, gearing and other operating ratios, exposure taken by the entity based on financials, policy on short-term and long-term borrowing, extent of leveraging for proprietary trading, transparency and quality in disclosures relating to operations etc.

7. History/Background:

Factors would include an analysis of factors like imposition of fines/penalties etc. by regulators/ stock exchanges/other SROs, action taken by Government authorities, repetition of violations that resulted in such imposition/action etc.

8. Firm's Positioning:

Factors which may be analyzed would include the market structure, size of the market and level of competition, number of players in the field, core competence of the entity, dominance of players, market share, trend in market size and market share, comparative analysis with others firms on different parameters.

It may be noted that the above factors are only illustrative and not exhaustive and rating industry may devise their own models and methodologies for rating a broker. Further appropriate weightages may be given to these and other factors as may be deemed fit to provide for a level playing field to smaller as well as big brokers while undergoing rating exercise.

F. DISSEMINATION OF RATING

The rating awarded by the rating agency to the intermediary may be disseminated by such intermediary on its website and advertisements subject to necessary approvals, for business promotion and to brand its image. However, disclosure of rating obtained would be optional for the intermediary. Rating agencies would also need to obtain prior approval from the rated entity before disclosure of rating awarded to the entity.

G. ACTION PLAN

- Ratings may be made optional and not compulsory. Growth in demand and greater maturity and understanding of the issue would automatically spur interest to go for the rating in due course of time.
- Ratings should invariably cover all the memberships of the entity to present a holistic picture.
- If the entity is also registered as an intermediary in other capacities, suitable rating exercise may need to be carried out to measure the overall level of performance across different activities and hence rating product would need to be evolved over a period of time to cover the entire gamut of activities being undertaken by the rated entity.
- Initially ratings may be given for a period of one year and then revised. However, if required, ratings may be kept under surveillance/reviewed earlier also.
- Rating agencies would draw out a detailed rating criteria, methodology and process for evaluating brokers.
- Rating instruments and symbols should make it amply clear that rating is not intended to induce people to trade through a particular entity. It is only a reflection of the performance of the entity.
- Rating rationale and rating process may be disseminated to public.

I. Issuance of Listing Agreement for listing of Debentures

The SEBI has released a Listing Agreement for listing of all debentures irrespective of mode of issuance i.e. whether issued on private placement basis or public/rights issue. It has been stipulated that all the debentures in the meaning of section 2(12) of the Companies Act, 1956 and any other debt instruments, which are proposed to be listed on recognised Stock Exchanges shall now be listed by entering into the Listing Agreement for Debentures. This agreement is meant to list the debentures issued by all entities except supra national organizations like Asian Development Bank, World Bank etc.

The SEBI, *vide* its circulars dated September 30, 2003 and December 22, 2003, has stipulated the conditions to be complied in respect of private placement of debt securities. One of the conditions specified therein is that an entity desirous of listing its debt securities issued on private placement basis shall enter into a separate Listing Agreement with the Stock Exchanges.

In case of issuers whose equity shares are listed and who have already entered into a Listing Agreement for its equity shares, clauses of equity Listing Agreement shall have an overriding effect over the Debenture Listing Agreement, in case of inconsistency, if any.

Ref : PR No. 298/2004, dated November 01, 2004.

II. Registration of Geeta Share Enterprises, Member of UPSE and a Sub-broker affiliated to UPSE Securities Ltd., suspended

The SEBI has passed an order dated October 19, 2004, suspending the certificate of registration granted to Geeta Share Enterprises, member of the Uttar Pradesh Stock Exchange for a period of 6 (six) months with effect from November 09, 2004. The certificate of registration granted to Geeta Share Enterprises as a sub-broker affiliated to the subsidiary of UPSE i.e. UPSE Securities Ltd. by virtue of its primary membership with UPSE has also been suspended for the corresponding period.

The order has been passed by the SEBI against Geeta Share Enterprises for irregularities in issuance of contract notes, dealing as unregistered sub-broker of brokers of other exchanges, entering into illegal carry forward transactions, non-reporting of off-the-floor transactions, non-maintenance of client database, non-segregation of own funds vis-à-vis clients funds, delay in payment of money, delay in settlement of investor complaints etc.

Geeta Share Enterprises, member of the Uttar Pradesh Stock Exchange will not be entitled to carry on the business as a stockbroker as also a sub-broker with effect from November 09, 2004 till May 08, 2005.

Ref : PR No. 303/2004, dated November 04, 2004.

III. Charges against Union Bank of India in the case of M/s. Vikas WSP Ltd., disposed off

The SEBI has passed an order on November 01, 2004, under regulation 13(2) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, against Union Bank of India, the Merchant Banker to the Issue, in the case of M/s. Vikas WSP Ltd. disposing off the matter as the facts and circumstances of the case do not merit imposition of any penalty.

Ref : PR No.302/2004, dated November 04, 2004.

IV. SEBI warns M/s. Dynamic Superways & Exports Ltd. in the case of M/s. Vikas WSP Ltd.

The SEBI has passed an order on October 29, 2004, under regulation 13(4) of the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, against M/s. Dynamic Superways & Exports Ltd. (DS&EL), the Registrar to the Issue, in the case of M/s. Vikas WSP Ltd.

M/s. DS&EL has been warned to be careful in future and any future instances of violations or non-compliance of SEBI Act, Rules or Regulations, shall be dealt with stringently by SEBI.

Ref : PR No.301/2004, dated November 04, 2004.

V. Registration of Kodali Securities Pvt. Ltd., Member of HSE, cancelled

The SEBI has passed an order dated October 28, 2004, cancelling the certificate of registration granted to Kodali Securities Pvt. Ltd., member of the Hyderabad Stock Exchange with effect from November 18, 2004.

The order has been passed by the SEBI against Kodali Securities Pvt. Ltd. for non-maintenance of books of accounts and non-production of the same before the inspecting authorities, non-cooperation with the inspecting authorities, furnishing of false and misleading information to SEBI to avoid inspection etc.

Ref : PR No.304/2004, dated November 08, 2004.

VI. Fee Cell to remain open on all days between 13th and 15th November, 2004

The SEBI (Interest Liability Regularization Scheme) 2004 was operational from 15th October, 2004 to 15th November, 2004. The defaulting brokers who have outstanding fee liabilities (principal and/or interest) as on 1st October, 2004 as per the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 availed of the benefits under the said scheme.

In order that the brokers do not have any inconvenience in making payments to SEBI and availing of benefits under the scheme by 15th November, 2004, the Fee Cell of SEBI at 29th Floor, World Trade Centre, Cuffe Parade, Mumbai- 400005 remained open on 13th, 14th and 15th November, 2004 from 9.45 a.m. to 5.45 p.m.

Ref : PR No.305/2004, dated November 09, 2004.

VII. Grant of exemption for proposed acquisition of shares of Southern Iron & Steel Company Ltd.

An Order dated November 5, 2004 was passed by the SEBI granting exemption to Vrindavan Services Pvt Ltd. (acquirers) from making an open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the matter of proposed acquisition of shares of Southern Iron & Steel Company Limited (SISCL) subject to a special resolution being passed by the shareholders in the general meeting.

Under the Corporate Debt Restructuring (CDR) Scheme, one of the promoters of the target company *viz.* Laxmi Machine Works Ltd. would transfer its holding of 3,00,00,000 equity shares of the equity capital of SISCL to the acquirer. After the proposed acquisition, the voting rights of the acquirer in SISCL would increase from 0% to 39.71%.

The application seeking exemption was forwarded by SEBI to the Takeover Panel. The Panel recommended for exemption to the acquirers from making an open offer.

Ref : PR No.306/2004, dated November 10, 2004.

VIII. Grant of exemption for proposed acquisition of shares of Pioneer Distilleries Ltd.

An Order dated November 5, 2004 was passed by SEBI granting exemption to S/Shri K.V. Rajeshwar Rao, K. Sudhir Rao, K. Suhan Rao and L. Venketeswara Rao (acquirers) from making an open offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the matter of proposed acquisition of shares of Pioneer Distilleries Limited (PDL).

The acquirers hold 32.75% of the total paid up share capital of PDL and after the proposed acquisition, the shareholding will increase to 47.83%. The acquirers propose to acquire 15,00,000 equity shares @ Rs. 10 per share from the company by way of re-issuance of equity shares being a part of the forfeited share capital of the company.

The application seeking exemption was forwarded by the SEBI to the Takeover Panel. The Panel recommended for exemption to the acquirers from making an open offer.

Ref : PR No.307/2004, dated November 10, 2004.

IX. Registration of two stock brokers of Jaipur Stock Exchange, cancelled

The SEBI has cancelled the certificate of registration of Mahesh Kumar Gupta and Rakesh Nagar with immediate effect: The aforesaid stock brokers were expelled/declared defaulters by Jaipur Stock Exchange and ceased to be members of the Exchange, thereby failed to fulfil the pre-requisite condition of registration as stock broker with SEBI. The registration has been cancelled in terms of Sub-Regulation (5) of Regulation 16 of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002.

Ref : PR No.308/2004, dated November 11, 2004.

X. Orders in the matter of M/s. Morepan Hotels Ltd.

The SEBI, *vide* separate orders in the matter of M/s. Morepan Hotels Ltd., has warned M/s. Ceekay Holdings Pvt. Ltd. (Member of NSE), M/s. Pramod Kumar Jain Securities Pvt. Ltd., M/s. GSB Capital Markets Ltd., M/s. Shilpa Stock Broker Pvt. Ltd., Shri Bhupendra Meghji Bheda, Shri Mahesh J.Doshi (all members of BSE) and M/s. Suresh Rathi Securities Pvt. Ltd., Member of BSE & NSE to be more careful in future and exercise due care and diligence in the conduct of their affairs as capital market intermediaries.

The above entities have also been directed to note that any instances of violations or non-compliance of the SEBI Act and the Rules and Regulations, in future, shall be dealt with stringently.

Ref : PR No. 309/2004, dated November 16, 2004.

XI. Regularisation period under the SEBI (Interest Liability Regularisation) Scheme 2004, extended till November 30, 2004

The SEBI had notified the SEBI (Interest Liability Regularisation) Scheme on July 15, 2004. The scheme allowed the defaulting brokers to avail of the benefits of regularisation between October 15, 2004 and November 15, 2004.

In order to avoid inconvenience to brokers interested to avail of the benefit of regularization, the Fee Cell in SEBI was kept open on all days from November 13 to 15, 2004 even though these were holidays. However, some brokers could not avail of the benefit of regularisation as they could not obtain Banker's Cheques/Demand Drafts because of bank holidays. In view of the above, it was decided to extend the regularisation period by 15 (fifteen) days, i.e. the defaulting brokers could avail of the benefit of regularisation up to November 30, 2004.

Ref : PR No.311/2004, dated November 16, 2004.

XII. Registration of M/s. CMS Securities Ltd., member of NSE, cancelled

The SEBI has passed an order dated October 27, 2004 cancelling the certificate of registration of M/s. CMS Securities Ltd., erstwhile member of National Stock Exchange of India Ltd. with immediate effect.

The aforesaid stock broker was declared defaulter by the Stock Exchange and ceased to be a member of the Exchange and thereby failed to fulfil the prerequisite condition of registration as stock broker with SEBI.

The registration has been cancelled in terms of Sub-Regulation (5) of Regulation 16 of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002.

Ref : PR No.314/2004, dated November 18, 2004.

XIII. M/s. Manoj Kumar Tibrewal, member of CSE, restrained from accessing securities market in the matter of M/s. DSQ Industries Ltd.

The SEBI vide order dated November 08, 2004, in the matter of M/s. DSQ Industries Ltd., has restrained M/s. Manoj Kumar Tibrewal, member of Calcutta Stock Exchange (CSE) for a period of two years from accessing securities market and from dealing in securities. The penalty is imposed for creation of artificial market in the shares of M/s. DSQ Industries Ltd. by M/s. Manoj Kumar Tibrewal.

M/s. Manoj Kumar Tibrewal, will not be entitled to access the securities market and deal in securities with effect from November 08, 2004 till November 07, 2006.

Ref : PR No.313/2004, dated November 18, 2004.

XIV. Warning issued to M/s. D.B. (International) Stock Brokers Ltd., Member of NSE

The SEBI has passed an order dated November 18, 2004, warning M/s. D.B. (International) Stock Brokers Ltd., member of the National Stock Exchange, to be more cautious in future in its dealings with securities and adhering to the provisions of SEBI Act, 1992 and the Rules and Regulations made thereunder.

The order has been passed pursuant to enquiry proceedings based on inspection findings.

Ref : PR No.316/2004, dated November 22, 2004.

XV. Grant of exemption for proposed acquisition of shares of Andhra Pradesh Tanneries Ltd.

An Order dated November 18, 2004 was passed by SEBI granting exemption to Bamboli Holdings Pvt. Ltd. and persons acting in concert (acquirers) from making an open offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in the matter of proposed acquisition of 16,26,100 equity shares of Andhra Pradesh Tanneries Limited (APTL) subject to certain conditions.

Exemption was sought from open offer requirements with respect to the proposed acquisition of 16,26,100 equity shares and 20,00,000 preference shares of APTL through preferential allotment which would the shareholding of acquirers to 88.27%.

However, the request of exemption for proposed acquisition of 20,00,000 preference shares was not considered. The application seeking exemption was forwarded by SEBI to the Takeover Panel.

The Panel recommended for exemption to the acquirers from making an open offer subject to certain conditions.

Ref : PR No.318/2004, dated November 24, 2004.

XVI. Investors' Grievances

During the month of November 2004, SEBI has received 3,201 grievances against listed companies. In the same period, 6,656 grievances were reported redressed. These redressed grievances include grievances brought forward from the previous periods.

Type	*Grievances Received*	*Grievances Redressed*
I	1,388	2,694
II	424	627
III	667	1,988
IV	371	924
V	351	423
TOTAL	3,201	6,656

Type I : Non-receipt of refund orders/allotment letters etc.

Type II : Non-receipt of dividend.

Type III : Non-receipt of share certificates/bonus shares.

Type IV : Non-receipt of debenture certificates/interest on debentures/redemption amount of debentures/interest on delayed payment of interest on debentures/redemption amount of debentures.

Type V : Non-receipt of right forms/interest on delayed receipt of refund order.

Ref : PR No.315/2004, dated November 19, 2004 and PR No.325/2004, dated December 7, 2004.

For details please see our website www.sebi.gov.in

I. Model Listing Agreement for listing of Debt Securities

SEBI, *vide* its circulars dated 30th September 2003 and 22nd December 2003, stipulated the conditions to be complied with, in respect of privately placement debt securities. One of the conditions specified therein requires that an entity desirous of listing privately placed debt securities shall enter into a separate Listing Agreement with the Stock Exchanges. It has now been decided that listing of all debt securities irrespective of the mode of issuance shall be done through a separate Listing Agreement. In this regard, the Stock Exchanges have been advised to list all debt securities through an Agreement prepared in line with the Model Listing Agreement.

The main features of the Model Listing Agreement are as under:

- The Agreement may be used for listing of all debt securities issued by an issuer irrespective of mode of issuance.
- The Model Agreement has three parts. Part (I) contains clauses which shall be complied by all issuers irrespective of mode of issuance, Part (II) contains clauses which shall be complied with only if the debentures are issued either through public or rights issue and part (III) contains clauses which are required to be complied with only if the debentures are issued on private placement basis.
- In case of issuers whose equity shares are listed and which have already entered into a Listing Agreement for its equity shares, clauses of Equity Listing Agreement shall have an overriding effect over the Debenture Listing Agreement, in case of inconsistency, if any.

The Stock Exchanges have been directed to make necessary amendments to the bye-laws, rules and regulations for the implementation of the above decision immediately, as may be applicable, bring the provisions of this circular to the notice of the concerned entities and also to disseminate the same on the website for easy access to the investors. Also, communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report till the Debenture Listing Agreement is in place.

Ref : SEBI/CFD/DIL/Cir- 39/ 2004/11/01, dated November 1, 2004.

Circulars

II. FII Investment in Debt Securities

Vide Circular No. IMD/CUST/14/2004 dated March 19, 2004, SEBI had informed the continuation of cap of US $1 billion for investment by 100% debt FIIs in debt securities and investment under the 70:30 route in dated Government securities and treasury bills for the year 2003-04. The Government of India has raised the cumulative debt investment limit for the FIIs/Sub-Accounts from US $1 billion to US $1.75 billion.

In view of the above, the following shall be applicable with immediate effect:

1. Overall investment limit under the 70:30 route in dated Government securities and treasury bills is raised from US $ 100 million to US $ 200 million.
2. Monitoring of the above investment limit will be on daily basis and total outstanding position of all FIIs/SAs under 70:30 route in Government securities and treasury bills will be published daily on SEBI website. Further, a 'headroom' of US $25 million has been decided i.e. FIIs/SAs are free to invest till the total investment reaches US $175 million. Thereafter, the FIIs/SAs will have to approach SEBI for prior approval of limit allocation. Allocation of limit will be done on 'first come-first serve' basis. The FIIs will be granted 7 days time to invest and on the expiry of which the validity will lapse.

3. Individual debt investment limits earlier allocated for 100% FIIs/Sub-Accounts will be realigned based on the remaining available limit of US$ 1550 million out of the overall cap of US $1.75 billion and the revised limits will be advised to the 100% debt FIIs/Sub-Accounts separately.

Ref : Circular No.IMD/FII/16/2004, dated November 02, 2004.

III. SEBI (Central Database of Market Participants) Regulations, 2003

Subsequent to SEBI Cir No. MRD/DOP/MAPIN/Cir -26/2004 dated August 16, 2004 on the captioned subject, which laid down the operational modalities for the registration of sub-brokers under the SEBI (Central Database of Market Participants) Regulations, 2003, the following changes were notified:

1. Accordingly, sub-brokers within the meaning of rule 2(*f*) of the SEBI (Stockbrokers and Sub-brokers) Rules, 1992 as 'specified Intermediaries', who along with their related persons are required to obtain Unique Identification Numbers (UIN) on or before December 31, 2004.
2. As per the provisions of sub-regulation (1) of regulation (4) of the captioned regulations, no sub-broker being a specified intermediary shall act as such, if the UIN has not been obtained for itself and its related persons by December 31, 2004. Any contravention would invite penal action as specified in Regulation 19 of the captioned Regulations.

The stock exchanges therefore have been advised to take necessary steps to ensure that all sub-brokers attached to the respective exchanges have obtained the UIN on or before December 31, 2004.

Ref : MRD/DOP/MAPIN/Cir - 40/2004, dated November 18, 2004.

IV. Clarification on the definition of institutional trades and use of physical contract note

A clarification was issued by SEBI on November 22, 2004 regarding its earlier circular no. DNPD/Cir-22/04 dated April 1, 2004, which mandated the use of the Straight Through Processing (STP) system for all institutional trades w. e. f. July 1, 2004.

It has been reiterated that STP is mandatory for all institutional trades. Some institutions that directly settle their trades with the brokers and do not use custodians in the settlement process have raised questions on the mandatory applicability of STP for their trades. It is clarified that an institutional trade for the purpose of STP shall mean a trade, which is settled through a custodian.

As SEBI had received feedback that some of the institutions insisted receiving the contract notes in physical form besides prescribed format of the STP system (IFN 515), which caused unnecessary duplication of work, increased cost and brought in inefficiencies in the market, it was clarified that institutional trades where electronic contract note in the prescribed format is issued, no physical contract note (for such a trade) shall be issued by the brokers w. e. f. December 1, 2004.

Ref : DNPD/26276/04, dated November 22, 2004.

V. Extension of time limit for implementation of the Model Tripartite Agreement

SEBI *vide* its Circular No. SEBI/MIRSD/DPS-1/Cir-31/2004 dated August 26, 2004 had *inter alia* prescribed model format of the Tripartite Agreement between broker, sub-broker and clients. The requirement relating to tripartite agreement was to come into effect from December 01, 2004.

After receiving a number of representations requesting for extension of the above deadline on account of significant software changes required, system constraints and other administrative reasons, it has been decided to extend the implementation of the tripartite agreement between broker-sub-broker and clients to January 01, 2005.

Ref : SEBI/MRD/DOPS/Cir- 41/2004, dated November 25, 2004.

VI. ECB Limit

Pursuant to Circular No. IMD/FII/16/2004 dated November 2, 2004, whereby, it was informed that the cumulative debt investment limit for the FIIs/ Sub-Accounts was increased from US $1 billion to US $1.75 billion, it has been clarified by the Ministry of Finance, Government of India that the cap of US $1.75 billion will be applicable to FIIs investment in dated Government Securities and T-bills only, both under 100% debt route and general 70:30 route. Thus, investment in securities other than dated Government Securities and T-Bills, i.e. Corporate Debt, would not be reckoned within the sub ceiling of US $1.75 billion. Therefore, investments by the FIIs/Sub Accounts through 100% debt route in dated Government securities and T-Bills only will be reckoned for monitoring of individual limits allocated to them.

Ref : Circular No. IMD/FII/17/2004, dated November 29, 2004.

For details please see www.sebi.gov.in

SAT Order in Appeal No. 61/2003 - VLS Finance Ltd. Vs SEBI

Legal Round up

The captioned matter was posted for hearing on 28-10-2004 before The Securities Appellate Tribunal (SAT). The said appeal was against the order dated March 31, 2003 of the Adjudicating Officer (AO) under section 15-I of the SEBI Act, 1992 imposing a penalty of Rs. 5 lacs for failure to make public announcement under section 15 H(*ii*) of the SEBI Act,1992 for the contravention of Reg. 10 of SEBI(SAST) Regulations, 1997.

Brief facts of the case

Shri M.P. Mehrotra, Director of VLS Finance Ltd. (Acquirer) had entered into a loan-cum-pledge agreement with Trackparts of India Ltd. (TPIL), the Target Company on 09-03-1995 by which it had disburses a loan of Rs. 2.40 crores to the Target Co. Shares totaling 3,44,658 shares of the Target Co. held by the Promoters, associates etc. were submitted to the Acquirer towards collateral security for the loan advanced. Since there was default in the repayment of the loan, the shares which were held as collateral were transferred in the name of VLS Finance Ltd. Shares of the Target Co. pledged as collateral securities for the loan advanced were transferred in the name of VLS Finance Ltd. on 26-08-1998 as per the letter dt. 27-02-2003 filed by the Acquirer. The shares thus transferred constituted 16.41% of the paid up capital of the Target Co. Since the said acquisition of the shares by VLS Finance Ltd. exceeded the triggering limit of 15% specified in Reg. 10 of SEBI(SAST) Regulations, it was required to make public announcement and hence the present adjudication proceedings. Shri S.V. Krishna Mohan was appointed AO to inquire and adjudge the alleged contravention of Reg. 10 for failure to make public announcement pursuant to the acquisition of 3,44,658 shares. After weighing the case on its merits, the gravity of the charges and factors mentioned in section 15J of SEBI Act, 1992, AO imposed a penalty of Rs. 5 lacs on VLS Finance Ltd. Being aggrieved against the order of AO, the Appellant had preferred the said appeal.

SAT proceedings:

After hearing counsel of both the parties to the appeal, wherein facts were not in dispute, the Hon'ble Tribunal found that the AO has adequately and correctly considered all the facts and circumstances and the shares were in fact transferred in the name of the Appellants and his name has been entered as beneficial owner in the register of members of the Company. The voting rights thus vested with the Appellants and it is of no consequence whether it was exercised, directly or indirectly, or exercised not at all.

The Tribunal found nothing objectionable in the impugned order. Further, as to the apprehension of the Appellant that despite the present AO order imposing a penalty of Rs. 5 lacs, SEBI might nevertheless again direct him to make public announcement, the Hon'ble Tribunal had instructed across the bar that since the VLS Finance, as put forth by the counsel of the Appellant, is already in financial distress and is before BFIR, no such direction to make public announcement seems to be warranted. Accordingly, the Hon'ble Tribunal dismissed the appeal and confirmed the order dt. 31-03-03 passed by AO. Extracts of the order passed by SAT in the captioned case is as follows:

> "During the hearing of the appeal before us, with the facts not being in dispute, the only short point for consideration was whether the transfer of shares in the name of the appellant for realizing its lawful dues amounted to acquisition as defined in SEBI (SAST) Regulations, 1997. The learned Senior Counsel for the appellant argued in this context that the transfer of shares took place as a result of a mutual agreement and that in terms of this agreement, the shares continued to remain with the appellant as collateral securities de-

spite transfer of ownership and the voting rights arising from the transfer of these shares continued to be exercised by Shri K.N. Bhargava and Shri B.N. Bhargava on the basis of the power of attorney executed in their favour. According to the learned counsel the transfer of these shares was also a subject matter of dispute before the Hon'ble Company Law Board and that even if this transfer was considered as acquisition, such acquisition was not yet complete and final because of the challenge before the Company Law Board. On going through the impugned order we find that the same two grounds had been taken up before the Adjudication and Enquiry Officer also and these issues have been adequately and correctly considered in the impugned order."

SAT Order:

"With this view of the matter we dismiss the appeal and confirm the impugned order."

NB : For details please see website at www.sebi.gov.in.

Annexures & Statistical Tables

Annexures

Statistical Tables

37. Ratings Assigned for Long-term Corporate Debt Securities (Maturity ≥ 1 year)
38. Review of Accepted Ratings of Corporate Debt Securities (Maturity ≥ 1 year)
39. Macro Economic Indicators
40. Daily Return and Volatility: Select World Stock Indices

N.B.:

1. NA = Not Applicable/Available.
2. 1 crore = 10 million = 100 lakh.
3. The total provided in the Annexures and Statistical Tables may not always match with the sum total of the break-ups due to decimal differences.

Annexure 1A - Draft offer documents received during November 2004

Sr. No.	Company	Lead Manager (Pre-Issue)	Type of Issue	Type of Instrument	Issue Price (Rs.) (Face Value+Premium)	Issue Size (Rs. in crores) (including Promoters Contribution)	Promoters	Dealing Office
1	Sunil Synchem Ltd.	Centrum Finance Ltd.	(Public + Rights)	Equity	(10 + 35)	13.52	Mr. Anil Kumar Khaitan Mr. Sunil Kumar Khaitan Mr. Sudhir Khaitan	Northern Regional Office
2	Plus Paper Foodpac Ltd.	Karvy Investor Services Ltd.	IPO	Equity	(10 - 12)	14.55 to 17.46	Nikhil Rungta Ritika Rungta	Northern Regional Office
3	Mangalam Drugs and Organics Ltd.	Khandwala Securities Ltd.	Public	Equity	(10 + 10) to (10 + 12)	13.00 to 14.30	Shri Govardhan M. Dhoot Shri Ashok R. Boob Shri Krishna R. Boob Shri Brijmohan M. Dhoot Shri Rasbihari Trading and Investment Pvt. Ltd. Shri Kishoriju Trading and Investment Pvt. Ltd.	Head Office, Mumbai
4	Comfort Intech Ltd.	Aryaman Financial Services Ltd.	Rights	Equity	(10 + 0)	6.00	Shri Anil Agarwal Shri Narendra Jhunjhunwala Shri Sunil Agarwal	Head Office, Mumbai

Annexure 1B - Observations Issued during November 2004

Sr. No.	Company	Lead Manager (Pre-Issue)	Type of Issue	Type of Instru-ment	Issue Price (Rs.) (Face Value+ Premium)	Issue Size (Rs. in crore) (Including Promoters Contribution)	Date of Final Contribution	Dealing Office
1	Deccan Chronicle Holdings Ltd.	ICICI Securities Ltd.	Public	Equity	(10 + *)	**	2 Nov.04	Head Office, Mumbai
2	Dwarikesh Sugar Industries Ltd.	UTI Securities Ltd.	Public	Equity	(10 + 65)	32.50	8 Nov. 04	Head Office, Mumbai
3	Dewan Housing Finance Corporation Ltd.	Keynote Corporate Services Ltd.	Rights	Equity	(10 + 25)	50.11	11 Nov. 04	Head Office, Mumbai
4	J.M.A. Industries Ltd. (name changed to Hella India Lighting Ltd.)	M/s PNR Securities Ltd.	Rights	Equity	(10 + 0)	6.34	19 Nov. 04	Northern Regional Office
5	Indoco Remedies ltd.	Enam Financial Consultants Pvt. Ltd.	IPO	Equity	(10 + *)	**	29 Nov. 04	Head Office, Mumbai

* Premium cannot be ascertained as it is a book-built issue.

** Issue size cannot be ascertained as it is a book-built issue.

Annexure 2A : Open Offers under SEBI Takeover code during November 2004*

Sl. No.	Target Company	Acquirer	Offer Opening Date	Offer Closing Date	Offer Size		Offer Price (Rs.)
					No. of Shares	% of Equity Capital	
1	BALAJI TELEFILMS LTD.	ASIAN BROADCASTING FZ LLC	18-Oct-04	16-Nov-04	13042089	20	90
2	ADARSH PLANT PROTECT LIMITED	MR NAISHAD N. PATEL, ATISH N. PATEL, KIRIT A. PATEL	29-Oct-04	17-Nov-04	687300	20	2.75

*** Offers which closed during November 2004.**

Annexure 2B: Buyback documents filed with SEBI during November, 2004

Sl. No	Company	Mode of Buyback	Maximum Price Payable	Maximum Consideration Payable (Rs. mn.)	Date of Filing of Public Notice/PA	Date of Opening of Offer	Date of Closing of Offer
		NIL					

Table 1: SEBI Registered Market Intermediaries

Market Intermediaries	As on 31st March											As on November 30, 2004
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Stock Exchanges (Cash Market)	22	22	22	22	22	23	23	23	23	23	23	22
Stock Exchanges (Derivatives Market)	NA	NA	NA	NA	NA	NA	2	2	2	2	2	2
Brokers (Cash Segment)	6,413	6,711	8,476	8,867	9,005	9,069	9,192	9,782	9,687	9,519	9,368	9098
Corporate Brokers (Cash Segment)	143	616	1,917	2,360	2,976	3,173	3,316	3,808	3,862	3,835	3,746	3,676
Sub-brokers (Cash Segment)	202	876	NA	1,798	3,760	4,589	5,675	9,957	12,208	13,291	12,815	12,597
Brokers (Derivative)	NA	NA	NA	NA	NA	NA	NA	519	705	795	829	917
Foreign Institutional Investors	158	308	367	439	496	450	506	527	490	502	540	628
Custodians	NA	NA	NA	NA	NA	NA	15	14	12	11	11	11
Depositories	NA	NA	NA	1	1	2	2	2	2	2	2	2
Depository Participants	NA	NA	NA	28	52	96	191	335	380	438	431	458
Merchant Bankers	422	790	1,012	1,163	802	415	186	233	145	124	123	127
Bankers to an Issue	NA	70	77	80	72	66	68	69	68	67	55	58
Underwriters	NA	36	40	38	43	17	42	57	54	43	47	56
Debenture Trustees	NA	20	23	27	32	34	38	37	40	35	34	35
Credit Rating Agencies	NA	NA	NA	NA	NA	NA	4	4	4	4	4	4
Venture Capital Funds	NA	NA	NA	NA	NA	NA	NA	35	34	43	45	47
Foreign Venture Capital Investors	NA	NA	NA	NA	NA	NA	NA	1	2	6	9	12
Registrars to an Issue & Share Transfer Agents	100	264	334	386	334	251	242	186	161	143	78	78
Portfolio Managers	40	61	13	16	16	18	23	39	47	54	60	78
Mutual Funds	12	22	27	37	38	41	38	39	38	38	37	38
Collective Investment Schemes	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	660	664
Approved Intermediaries (Stock Lending Schemes)	NA	NA	NA	1	1	4	6	8	10	4	3	N.A.

Table 2: Offer Documents Received and Observations Issued by SEBI (Rs. crore.)

Year/Month	Documents Received		Observations Issued	
	No.	Amount	No.	Amount
1994-95	2612	42,729	1973	35,372
1995-96	2523	26,109	1964	24,823
1996-97	787	16,126	815	18,373
1997-98	114	12,501	103	11,707
1998-99	60	4,802	55	1,803
1999-2000	165	8,967	125	12,026
2000-01	197	13,176	181	11,160
2001-02	**34**	**9,378**	**28**	**9,228**
Apr-02	0	0	5	494
May-02	0	0	1	2
Jun-02	3	330	0	0
Jul-02	2	19	1	270
Aug-02	3	1,603	0	0
Sep-02	4	2,911	4	2,021
Oct-02	3	22	0	0
Nov-02	2	32	3	18
Dec-02	5	2,090	5	2,070
Jan-03	2	32	2	76
Feb-03	3	26	2	31
Mar-03	1	27	0	0
2002-03	**28**	**7,092**	**23**	**4,982**
Apr-03	5	1,028	2	21
May-03	3	11	2	997
Jun-03	5	461	0	0
Jul-03	13	1,021	4	36
Aug-03	6	35	7	909
Sep-03	6	3,046	5	136
Oct-03	9	359	4	18
Nov-03	8	306	5	1,697
Dec-03	6	94	5	336
Jan-04**	18	422	2	20
Feb-04**	7	601	12	13,576
Mar-04**	12	80	10	126
2003-04 #	**98**	**7,465**	**58**	**17,873**
Apr-04*	4	92	2	39
May-04*	5	258	5	1,712
June-04*	9	2,183	3	2,235
July-04*	6	139	4	222
Aug-04	5	13	7	144
Sep-04	6	3,080	5	131
Oct-04	3	4,014	4	9
Nov-04* **	**4**	**19**	**5**	**133**

*Exclusive of book-built issues, lower of the price band taken to calculate the issue size.
**Amount is exclusive of book-built issues, where price not yet determined/intimated
Revised Figures
*** The amount does not include (No.) of issues are (BB/Band) and the issue size is not known.

Table 3: Capital Raised

(Rs. crore.)

Year/Month	Total		Category Wise				Issue Type				Instrument Wise									
			Public		Rights		Listed		IPOs		Equities				CCPS		Bonds		Others	
											At Par		At Premium							
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1993-94	**1,143**	**24,372**	**773**	**15,449**	**370**	**8,923**	**451**	**16,508**	**692**	**7,864**	**608**	**3,808**	**383**	**9,220**	**1**	**2**	**9**	**1,991**	**142**	**9,351**
1994-95	**1,692**	**27,633**	**1,342**	**21,045**	**350**	**6,588**	**453**	**11,061**	**1,239**	**16,572**	**942**	**5,529**	**651**	**12,441**	**7**	**124**	**0**	**0.0**	**135**	**9,538**
1995-96	**1,725**	**20,804**	**1,426**	**14,240**	**299**	**6,564**	**368**	**9,880**	**1,357**	**10,924**	**1,181**	**4,958**	**480**	**9,727**	**8**	**145**	**6**	**2,086**	**63**	**3,888**
1996-97	**882**	**14,276**	**751**	**11,557**	**131**	**2,719**	**167**	**8,326**	**717**	**5,959**	**697**	**3,433**	**148**	**4,412**	**5**	**75**	**10**	**5,400**	**29**	**957**
1997-98	**111**	**4,570**	**62**	**2,862**	**49**	**1,708**	**59**	**3,522**	**52**	**1,048**	**64**	**271**	**33**	**1,610**	**3**	**10**	**4**	**1,550**	**10**	**1,128**
1998-99	**58**	**5,587**	**32**	**5,019**	**26**	**568**	**40**	**5,182**	**18**	**404**	**20**	**197**	**20**	**660**	**3**	**78**	**10**	**4,450**	**6**	**202**
1999-2000	**93**	**7,817**	**65**	**6,257**	**28**	**1,560**	**42**	**5,098**	**51**	**2,719**	**30**	**786**	**52**	**3,780**	**0**	**0**	**10**	**3,200**	**2**	**51**
2000-01	**151**	**6,108**	**124**	**5,378**	**27**	**729**	**37**	**3,385**	**114**	**2,722**	**84**	**818**	**54**	**2,408**	**2**	**142**	**10**	**2,704**	**1**	**36**
2001-02	**35**	**7,543**	**20**	**6,502**	**15**	**1,041**	**28**	**6,341**	**7**	**1,202**	**7**	**151**	**8**	**1,121**	**0**	**0.0**	**16**	**5,601**	**4**	**670**
2002-03	**26**	**4,070**	**14**	**3,639**	**12**	**431**	**20**	**3,032**	**6**	**1,039**	**6**	**143**	**11**	**1,314**	**0**	**0.0**	**8**	**2,600**	**2**	**13**
Apr-03	1	3	0	0	1	3	1	3	0	0.0	0	0.0	1	3	0	0.0	0	0.0	0	0.0
May-03	1	20	0	0	1	20	1	20	0	0.0	0	0.0	1	20	0	0.0	0	0.0	0	0.0
Jun-03	1	993	1	993	0	0.0	0	0.0	1	993	0	0.0	1	993	0	0.0	0	0.0	0	0.0
Jul-03	0	0.0	0	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Aug-03	3	348	1	343	2	5	3	348	0	0.0	2	5	0	0.0	0	0.0	1	343	0	0.0
Sep-03*	9	905	5	532	4	373	5	613	4	292	1	27	8	878	0	0.0	0	0.0	0	0.0
Oct-03*	4	786	4	786	0	0.0	2	536	2	250	2	24	1	240	0	0.0	1	523	0	0.0
Nov-03*	4	283	2	198	2	86	2	86	2	198	2	14	2	269	0	0.0	2	1075	0	0.0
Dec-03*	8	1324	4	1226	4	98	6	1173	2	151	1	26	5	223	0	0.0	1	797	0	0.0
Jan-04*	8	1342	4	1231	4	111	5	904	3	438	4	59	3	486	0	0.0	0	0.0	0	0.0
Feb-04*	9	3849	8	3815	1	34	6	3594	3	255	1	5	8	3844	0	0.0	0	0.0	0	0.0
Mar-04 *	9	13918	6	13141	3	277	5	2353	4	11065	1	200	7	11632	0	0.0	1	1586	0	0.0
2003-04**	**57**	**23772 #**	**35**	**22265**	**22**	**1007**	**36**	**9630**	**21**	**13642**	**14**	**360**	**37**	**18589**	**0**	**0.0**	**6**	**4324**	**0**	**0.0**
Apr-04	4	3,735	4	3,735	0	0	1	3,500	3	235	0	0.0	4	3,735	0	0.0	0	0.0	0	0.0
May-04*	3	57	1	30	2	27	3	57	0	0.0	0	0.0	3	57	0	0.0	0	0.0	0	0.0
Jun-04	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0	0	0.0	0	0.0	0	0.0
Jul-04	1	4,713	1	4,713	0	0.0	0	0.0	1	4,713	0	0.0	1	4713	0	0.0	0	0.0	0	0.0
Aug-04	10	2,408	2	46	8	2,362	8	2,362	2	46	1	9	9	2399	0	0.0	0	0.0	0	0.0
Sep-04	7	389	2	76	5	313	5	313	2	76	2	229	5	160	0	0.0	0	0.0	0	0.0
Oct-04	3	5,451	1	5,368	2	83	2	83	1	5,368	0	0	3	5,451	0	0	0	0	0	0
Nov-04	**6**	**281**	**4**	**229**	**2**	**52**	**3**	**60**	**3**	**221**	**1**	**1**	**5**	**279**	**0**	**0**	**0**	**0**	**0**	**0**

Note: Instrument-wise break up may not tally to the total number of issues, as for one issue there could be more than one instruments.

*Revised Figures

**Figures for 2003-04 and the break-up thereof are provisional.

Table 4: Industry-Wise Classification of Capital Raised

(Rs. crore)

Industry	2002-03		2003-04#		November-04		November-03*	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Banking/FIs	13	3,443	11	5,428	0	0.0	0	0.0
Cement & Construction	1	30	0	8	0	0.0	0	0.0
Chemical	1	16	7	522	1	51	1	192
Electronics	0	0.0	5	341	0	0.0	0	0.0
Engineering	2	10	1	993	0	0.0	0	0.0
Entertainment	2	24	2	153	0	0.0	0	0.0
Finance	1	30	2	71	0	0.0	0	0.0
Food Processing	0	0.0	1	8	2	34	1	8
Health Care	2	74	1	14	0	0.0	0	0.0
Information Technology	3	227	9	804	0	0.0	1	77
Paper & Pulp	0	0	0	0.0	0	0.0	0	0.0
Plastic	1	218	0	0.0	0	0.0	0	0.0
Power	0	0.0	0	0.0	0	0.0	0	0.0
Printing	0	0.0	0	0.0	1	130	0	0.0
Telecommunication	0	0.0	0	0.0	1	7.5	0	0.0
Textile	0	0.0	4	61	0	0.0	0	0.0
Others	0	0.0	14	14,964	1	59	1	6
Total	**26**	**4,070**	**57**	**23,271**	**6**	**281**	**4**	**283**

* Revised Figures

** Figures for 2003-04 and the break-up thereof are provisional.

Table 5: Sector-Wise and Region-Wise Distribution of Capital Mobilised

(Rs. crore)

Year/Month	Total		Sector Wise				Region Wise							
			Private*		Public		Northern		Eastern		Western		Southern	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1993-94	1,143	24,372	NA	NA	NA	NA	314	5,828	94	1,352	503	14,559	232	2,633
1994-95	1,692	27,633	1,684	26,270	8	1,362	399	6,554	178	2,216	740	10,824	375	8,039
1995-96	1,725	20,804	1,718	16,639	7	4,165	467	5,109	168	1,416	680	10,811	410	3,467
1996-97	882	14,276	872	10,241	10	4,035	221	3,381	114	767	360	9,041	187	1,087
1997-98	111	4,570	105	3,852	6	718	18	302	26	1,164	46	2,391	21	713
1998-99	58	5,587	57	5,516	1	70	10	171	10	266	29	4,856	9	293
1999-2000	93	7,817	91	7,617	2	200	13	1,900	7	106	46	5,235	27	577
2000-01	151	6,108	148	5,893	3	215	10	207	9	240	43	4,105	89	1,555
2001-02	35	7,543	30	6,601	5	942	3	1,002	2	180	23	5,942	7	419
2002-03	26	4,070	18	1,897	8	2,173	1	8	3	117	13	3,358	9	588
Apr-03	1	3	1	3	0	0.0	0	0.0	0	0.0	1	3	0	0.0
May-03	1	20	1	20	0	0.0	0	0.0	0	0.0	1	20	0	0.0
Jun-03	1	993	1	993	0	0.0	1	993	0	0.0	0	0.0	0	0.0
Jul-03	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Aug-03	3	348	3	305	0	0.0	0	0.0	0	0.0	1	300	2	5
Sep-03 #	9	905	6	271	3	634	2	42	2	250	3	362	2	252
Oct-03 #	4	786	2	536	2	250	0	0.0	1	10	1	523	2	254
Nov-03 #	4	283	3	91	1	192	2	200	1	6	0	0.0	1	77
Dec-03 #	8	1,324	7	736	1	588	3	164	0	0.0	5	1,160	0	0.0
Jan-04 #	8	1,342	7	545	1	797	1	9	0	0.0	4	1,283	3	49
Feb-04 #	9	3,849	2	25	7	3,824	2	1,788	2	362	3	1,486	2	213
Mar-04 #	9	13,918	6	1,044	3	12,374	4	11,379	1	8	2	1,646	2	385
2003-04#	57	23,772	39	4,569	18	18,660	15	14,576	7	636	21	6,783	14	1,235
Apr-04	4	3,735	4	3,735	0	0.0	1	109	1	12	2	3,613	0	0.0
May-04 #	3	57	3	57	0	0.0	0	0.0	1	15	1	30	1	12
Jun-04	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Jul-04	1	4,713	1	4,713	0	0.0	0	0.0	0	0.0	1	4,713	0	0.0
Aug-04	10	2,408	10	2,408	0	0.0	2	23	1	59	6	2,278	1	48
Sep-04	7	389	7	389	0	0.0	2	72	1	50	3	53	1	214
Oct-04	3	5,451	2	83	1	5,368	1	5,368	0	0.0	2	83	0	0.0
Nov-04	6	281	6	281	0	0	1	33	0	0.0	4	119	1	130

*Joint Sector Issues, if any, have been clubbed with private sector for the respective period.

**Figures for 2003-04 and the break-up thereof are provisional.

#Revised figures

Table 6: Size Wise Classification of Capital Raised

(Rs. crore)

Year/Month	Total		≥ 1 cr. - < 5 cr.		≥ 5 cr. - < 10 cr.		≥ 10 cr. - < 50 cr.		≥ 50 cr. - < 100 cr.		≥100 cr.	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1993-94	**1,143**	**24,372**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1994-95	**1,692**	**27,633**	**853**	**2,569**	**442**	**3,033**	**305**	**6,356**	**51**	**3,584**	**41**	**12,090**
1995-96	**1,725**	**20,804**	**1,066**	**3,183**	**418**	**2,833**	**175**	**3,344**	**43**	**2,934**	**23**	**8,511**
1996-97	**882**	**14,276**	**547**	**1,760**	**215**	**1,473**	**87**	**1,671**	**14**	**908**	**19**	**8,465**
1997-98	**111**	**4,570**	**52**	**122**	**26**	**177**	**15**	**368**	**6**	**420**	**12**	**3,484**
1998-99	**58**	**5,587**	**15**	**35**	**9**	**63**	**14**	**297**	**9**	**581**	**11**	**4,611**
1999-2000	**93**	**7,817**	**19**	**53**	**15**	**105**	**26**	**629**	**14**	**997**	**19**	**6,034**
2000-01	**151**	**6,108**	**66**	**186**	**25**	**165**	**34**	**764**	**8**	**507**	**18**	**4,486**
2001-02	**35**	**7,543**	**3**	**8**	**3**	**20**	**8**	**199**	**3**	**177**	**18**	**7,140**
2002-03	**26**	**4,070**	**2**	**7**	**1**	**8**	**10**	**255**	**0**	**0.0**	**13**	**3,801**
Apr-03	1	3	1	3	0	0.0	0	0.0	0	0.0	0	0.0
May-03	1	20	0	0.0	0	0.0	1	20	0	0.0	0	0.0
Jun-03	1	993	0	0.0	0	0.0	0	0.0	0	0.0	1	993
Jul-03	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Aug-03	3	305	2	5	0	0.0	0	0.0	0	0.0	1	300
Sep-03*	9	905	0	0.0	0	0.0	5	74	0	0.0	4	831
Oct-03*	4	786	0	0.0	0	0.0	2	24	0	0.0	2	763
Nov-03*	4	283	0	0.0	2	14	0	0.0	1	77	1	192
Dec-03*	8	1,324	0	0.0	0	0.0	5	112	0	0.0	3	1,213
Jan-04*	8	1,342	3	8	1	9	1	46	1	51	2	1,228
Feb-04*	9	3,638	0	0.0	1	5	2	54	0	0.0	6	3,579
Mar-04*	9	13,418	0	0.0	1	8	0	0.0	3	223	5	13,187
2003-04	**57**	**23,018**	**6**	**16**	**5**	**36**	**16**	**330**	**5**	**351**	**25**	**22,285**
Apr-04	4	3,735	0	0.0	1	12	0	0.0	0	0.0	3	3,722
May-04	3	57	0	0.0	0	0.0	3	57	0	0.0	0	0.0
Jun-04	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Jul-04	1	4713	0	0.0	0	0.0	0	0.0	0	0.0	1	4713
Aug-04	10	2408	0	0.0	1	9	5	172	2	150	2	2078
Sep-04	7	389	0	0.0	0	0.0	5	124	1	52	1	214
Oct-04	3	5451	0	0.0	0	0.0	1	17	1	65	1	5368
Nov-04	**6**	**281**	**1**	**1.5**	**1**	**8**	**1**	**33**	**2**	**110**	**1**	**130**

*Revised Figures

**Figures for 2003-04 and the break-up thereof are provisional.

Table 7: Distribution of Turnover on Cash Segments of Exchanges

(Rs. crore)

Stock Exchange	93 - 94	94 - 95	95 - 96	96 - 97	97 - 98	98 - 99	99 - 00	00 - 01	01 - 02	02-03	03-04	November-2004
Ahmedabad	23,540	12,452	20,626	41,065	31,117	29,928	37,566	54,036	14,644	15,459	4,544	N.A.
Bangalore	2,316	712	897	4,389	8,637	7,749	1,115	600	70	0.0	0.1	N.A.
Bhubaneshwar	814	303	211	231	203	74	68	0.0	0.0	0.0	0.0	N.A.
Calcutta	57,641	52,872	62,149	1,05,481	1,78,778	1,72,818	3,57,166	3,55,035	27,075	6,523	1,928	N.A.
Cochin	382	614	287	152	164	96	66	26	2	0.0	0.0	0.0
Coimbatore	2,052	3,192	5,007	4,798	4,274	769	78	0.0	0.0	0.0	0.0	0.0
Delhi	12,099	9,144	10,083	48,992	67,936	50,651	94,528	82,997	5,526	11	3	0.0
Gauhati	452	285	616	484	120	52	0	0.0	0.0	0.1	0.0	N.A.
Hyderabad	984	1,160	1,107	480	1,861	1,270	1,236	978	41	5	2	1.1
ICSE	NA	NA	NA	NA	NA	NA	274	237	70	53	0	N.A.
Jaipur	616	879	1,048	1,519	453	63	2	0.0	0.0	0.0	0.0	N.A.
Ludhiana	3,150	4,975	4,849	5,274	8,316	6,070	6,872	9,154	964	0.0	0.0	N.A.
Madhya Pradesh	132	118	202	5	1	1	10	2	16	0.0	0.0	N.A.
Madras	4,618	6,117	3,259	3,912	2,458	739	500	218	48	76	101	8.3
Magadh(Patna)	1,938	797	1,629	2,755	323	1	9	2	0.1	0.2	0.1	N.A.
Mangalore	108	62	39	380	314	11	0	0.0	0.0	0.0	0.0	N.A.
Mumbai	84,536	67,749	50,064	1,24,190	2,07,112	3,10,749	6,86,427	10,00,031	3,07,292	3,14,073	5,03,053	35,742
NSE	NA	1,805	67,287	2,95,403	3,70,193	4,14,474	8,39,051	13,39,510	5,13,167	6,17,988	10,99,533	82,035
OTCEI	38	365	224	219	283	198	3,603	126	4	0.1	16	0.0
Pune	3,459	3,672	7,096	10,084	8,624	4,827	6,090	6,171	1,171	0.0	0.0	N.A.
SKSE	614	329	452	395	17	0.0	0	0.0	0.0	0.0	0.0	N.A.
Uttar Pradesh	6,789	7,923	12,373	16,070	15,209	18,429	23,876	25,112	13,349	14,763	11,751	120.1
Vadodara	3,751	3,855	2,519	4,344	4,577	1,749	159	2	20	3	0.1	N.A.

Source: Various Exchanges

Table 8: Cash Segment of BSE

Month/ Year	No. of Com- panies Listed *	No. of Com- panies Per- mitted *	No. of Scrips Listed *	No. of Trad- ing Days	No. of Scrips Traded	No. of Trades (Lakh)	Traded Quan- tity (Lakh)	Turnover (Rs. cr.)	Average Daily Turn- over (Rs. cr.)	Average Trade Size (Rs.)	Demat Secu- rities Traded (Lakh)	Demat Turn- over (Rs. cr.)	Market Capitali- sation (Rs. cr.)*	BSE Sensex #			BSE-100 Index ##		
														High	Low	Close	High	Low	Close
1992-93	**2,861**	**0**	**NA**	**192**	**NA**	**126**	**35031**	**45695**	**238**	**3,632**	**NA**	**NA**	**1,88,146**	**4546.58**	**2184.67**	**2280.52**	**2048.97**	**988.70**	**1021.40**
1993-94	**3,585**	**0**	**NA**	**218**	**NA**	**123**	**75834**	**84536**	**388**	**6,887**	**NA**	**NA**	**3,68,071**	**4299.36**	**1980.06**	**3778.99**	**2073.32**	**911.53**	**1829.53**
1994-95	**4,702**	**0**	**NA**	**231**	**NA**	**196**	**107,248**	**67,749**	**293**	**3,450**	**NA**	**NA**	**4,68,837**	**4643.31**	**3228.94**	**3260.96**	**2192.74**	**1570.09**	**1605.57**
1995-96	**5,603**	**0**	**NA**	**232**	**NA**	**171**	**77,185**	**50,064**	**216**	**2,922**	**NA**	**NA**	**5,63,748**	**3611.56**	**2820.26**	**3366.61**	**1691.63**	**1298.02**	**1549.25**
1996-97	**5,832**	**0**	**6,663**	**240**	**6,325**	**155**	**80,926**	**124,190**	**517**	**8,022**	**NA**	**NA**	**5,05,137**	**4131.22**	**2713.12**	**3360.89**	**1865.29**	**1202.93**	**1463.69**
1997-98	**5,853**	**0**	**6,815**	**244**	**3,971**	**196**	**85,877**	**207,113**	**849**	**10,585**	**NA**	**NA**	**6,30,221**	**4605.41**	**3164.66**	**3892.75**	**2007.06**	**1381.59**	**1697.14**
1998-99	**5,849**	**0**	**6,969**	**243**	**4,457**	**354**	**129,272**	**310,750**	**1,279**	**8,770**	**NA**	**NA**	**6,19,532**	**4322.00**	**2741.22**	**3739.96**	**1908.73**	**1226.67**	**1651.37**
1999-00	**5,815**	**0**	**8,028**	**251**	**4,330**	**740**	**208,635**	**686,428**	**2,735**	**9,270**	**NA**	**NA**	**9,12,842**	**6150.69**	**3183.47**	**5001.28**	**3906.41**	**1379.71**	**2902.20**
2000-01	**5,869**	**0**	**9,826**	**251**	**3,927**	**1,428**	**258,511**	**1,000,032**	**3,984**	**7,002**	**NA**	**NA**	**5,71,553**	**5542.81**	**3436.75**	**3604.38**	**3055.14**	**1633.90**	**1691.71**
2001-02	**5,782**	**0**	**7,321**	**247**	**5,347**	**1,277**	**182,196**	**307,292**	**1,244**	**24,060**	**NA**	**NA**	**6,12,224**	**3759.96**	**2594.87**	**3469.35**	**1830.98**	**1209.93**	**1716.28**
2002-03	**5,650**	**12**	**7,363**	**251**	**2,679**	**1,413**	**221,401**	**314,073**	**1,251**	**2,223**	**NA**	**NA**	**5,72,197**	**3538.49**	**2828.48**	**3048.72**	**1763.49**	**1411.32**	**1500.72**
Apr-03	5,644	13	7,338	20	2,094	96	14,144	20,823	1,041	2,164	13,593	20,657	5,72,525	3221.90	2904.44	2959.79	1593.59	1446.53	1470.31
May-03	5,644	13	7,335	21	2,173	118	21,652	22,510	1,072	19,018	20,575	22,115	6,60,981	3200.48	2934.78	3180.75	1653.63	1466.23	1641.44
Jun-03	5,641	13	7,349	21	2,245	139	26,493	24,933	1,187	17,957	26,321	24,668	7,34,388	3632.84	3170.38	3607.13	1833.97	1638.20	1819.36
Jul-03	5,643	13	7,360	23	2,312	173	35,782	32,976	1,434	19,097	35,070	31,844	7,75,995	3835.75	3534.06	3792.61	1923.02	1771.73	1893.45
Aug-03	5,637	13	7,347	20	2,363	181	46,431	36,334	1,817	20,079	44,787	35,022	9,05,192	4277.64	3722.08	4244.73	2246.58	1888.50	2229.25
Sep-03	5,639	13	7,354	22	2,357	180	36,567	44,698	2,032	2,478	36,031	43,794	9,33,086	4473.57	4097.55	4,453.24	2357.54	2073.31	2,314.62
Oct-03	5,639	13	7,343	23	1,692	189	36,381	53,065	2,307	2,801	35,113	51,073	10,00,494	4951.11	4432.93	4,906.87	2528.68	2310.24	2,485.43
Nov-03	5,640	12	7,353	20	1,697	176	33,188	45,029	2,251	25,637	31,980	42,903	10,65,853	5135.00	4736.70	5,044.82	2630.18	2429.29	2,594.34
Dec-03	5,644	12	7,368	22	2,230	233	47,355	54,816	2,492	23,540	45,999	52,766	12,73,361	5920.76	5082.82	5,838.96	3111.49	2610.12	3,074.87
Jan-04	5,553	12	7,305	21	2,118	223	43,347	65,620	3,125	29,364	41,022	61,816	12,06,854	6249.60	5567.68	5,695.67	3373.24	2868.90	2,946.14
Feb-04	5,521	12	7,332	19	2,075	158	24,349	51,464	2,709	32,586	22,588	46,174	11,96,221	6082.80	5550.17	5,667.51	3151.68	2825.63	2,923.99
Mar-04	5,528	12	7,264	22	2,610	161	24,753	50,786	2,308	31,503	23,226	46,640	12,01,206	5951.03	5324.78	5,590.60	3144.21	2792.21	2,966.31
2003-04	**5,528**	**12**	**7,264**	**254**	**2,610**	**2,028**	**390,441**	**503,053**	**1,981**	**24,806**	**376,304**	**4,79,472**	**12,01,206**	**6249.60**	**2904.44**	**5,590.60**	**3373.24**	**1446.53**	**2,966.31**
Apr-04	5,292	15	7,098	20	1,907	156	25,669	44,864	2,243	28,702	20,587	38,033	12,55,347	5979.25	5599.12	5,655.09	3210.50	2958.54	3,025.14
May-04	5,296	15	7,223	21	1,768	170	25,907	45,938	2,188	27,014	22,688	39,732	10,23,128	5772.64	4227.50	4,759.62	3090.17	2226.36	2,525.35
Jun-04	5,271	15	7,560	22	1,780	149	19,122	36,990	1,681	24,894	17,385	32,588	10,47,258	5012.52	4613.94	4,795.46	2658.05	2446.87	2,561.16
Jul-04	4,730	15	7,087	22	1,991	175	28,624	39,449	1,793	2,258	26,938	35,664	11,35,588	5200.85	4723.04	5,170.32	2771.06	2518.01	2,755.22
Aug-04	4,735	15	7,133	22	2,093	178	30,446	38,195	1,736	2,150	28,391	33,232	12,16,566	5269.22	5022.29	5,192.08	2813.28	2682.78	2,789.07
Sep-04	4,733	15	7,148	22	2,314	205	36,955	39,603	1,800	1,930	33,537	33,518	13,09,317	5638.79	5155.96	5583.61	3020.29	2770.29	2997.97
Oct-04	4,721	27	6,903	20	2,213	174	29,309	34,608	1,730	19,946	26,860	30,296	1,337,191	5803.82	5558.14	5,672.27	3115.52	2965.77	3,027.96
Nov-04	**4,725**	**27**	**6,908**	**20**	**2,459**	**201**	**42,343**	**35,742**	**1,787**	**17,808**	**37,139**	**30,449**	**1,539,595**	**6248.43**	**5649.03**	**6,234.29**	**3347.10**	**3016.74**	**3,339.75**

* At the end of the period.

\# BSE Sensex commenced from January 2, 1986.

\## BSE-100 Index commenced from April 3, 1984.

Source: BSE

Table 9: Cash Segment of NSE

Month/Year	No. of Companies Listed*	No. of Companies Permitted*	No. of Companies Available for Trading* @	No. of Trading Days	No. of Companies Traded	No. of Trades (Lakh)	Traded Quantity (Lakh)	Turnover (Rs. cr.)	Average Daily Turnover (Rs. cr.)	Average Trade Size (Rs.)	Demat Securities Traded (Lakh)	Demat Turnover (Rs. cr.)	Market Capitalisation (Rs. cr.)*	S&P CNX Nifty Index #			CNX Nifty Junior Index ##		
														High	Low	Close	High	Low	Close
Nov 94-Mar 95	**135**	**543**	**678**	**102**	**NA**	**3**	**1,391**	**1,805**	**17**	**56,310**	**NA**	**NA**	**363,350**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1995-96	**422**	**847**	**1,269**	**246**	**NA**	**66**	**39,912**	**67,287**	**276**	**101,505**	**NA**	**NA**	**401,459**	**1067.49**	**813.12**	**985.30**	**NA**	**NA**	**NA**
1996-97	**550**	**934**	**1,484**	**250**	**NA**	**264**	**135,561**	**295,403**	**1,176**	**112,086**	**NA**	**NA**	**419,367**	**1203.11**	**775.43**	**963.30**	**1208.87**	**907.02**	**1032.95**
1997-98	**612**	**745**	**1,357**	**244**	**NA**	**381**	**135,685**	**370,193**	**1,520**	**97,054**	**NA**	**NA**	**481,503**	**1297.10**	**929.05**	**1116.90**	**1395.25**	**1016.65**	**1339.40**
1998-99	**648**	**609**	**1,254**	**251**	**NA**	**546**	**165,327**	**414,474**	**1,651**	**75,954**	**8,542**	**23,818**	**491,175**	**1247.15**	**800.10**	**1078.05**	**2079.10**	**1177.20**	**2069.20**
1999-00	**720**	**479**	**1,152**	**254**	**NA**	**984**	**242,704**	**839,052**	**3,303**	**85,244**	**153,772**	**711,706**	**1,020,426**	**1818.15**	**916.00**	**1528.45**	**5365.90**	**1631.90**	**3695.75**
2000-01	**785**	**320**	**1,029**	**251**	**1,201**	**1,676**	**329,536**	**1,339,510**	**53,367**	**86,980**	**307,222**	**1,264,337**	**657,847**	**1636.95**	**1098.75**	**1148.20**	**3771.80**	**1570.20**	**1601.80**
2001-02	**793**	**197**	**890**	**247**	**1,019**	**1,753**	**278,408**	**513,167**	**2,078**	**29,270**	**277,717**	**512,866**	**636,861**	**1207.00**	**849.95**	**1129.55**	**1676.25**	**1038.75**	**1566.95**
2002-03	**818**	**107**	**788**	**251**	**899**	**2,398**	**364,065**	**617,989**	**2,462**	**25,776**	**364,049**	**617,984**	**537,133**	**1153.30**	**920.10**	**978.20**	**1690.35**	**1231.95**	**1259.55**
Apr-03	830	78	738	20	749	207	31,448	48,971	2,449	23,658	31,448	48,971	530,630	1033.45	920.00	934.05	1370.80	1259.75	1339.75
May-03	847	61	769	21	743	250	44,001	54,690	2,604	21,889	44,001	54,690	612,030	1013.85	930.80	1006.80	1693.15	1340.25	1664.15
Jun-03	853	52	769	21	744	267	51,896	61,586	2,933	23,029	51,896	61,586	678,550	1141.30	1004.70	1134.15	1804.60	1598.60	1783.70
Jul-03	865	44	774	23	755	320	64,906	78,878	3,429	24,672	64,906	78,878	719,145	1198.50	1089.30	1185.85	2056.85	1778.20	2012.30
Aug-03	873	35	775	20	752	322	84,554	85,347	4,267	26,485	84,554	8,535	836,651	1365.80	1164.75	1356.55	2287.60	1959.50	2275.25
Sep-03	883	27	774	22	761	346	71,848	103,346	4,698	29,852	71,848	103,346	863,481	1340.70	1285.25	1417.10	2459.35	2188.45	2456.95
Oct-03	887	26	776	23	728	358	71,768	115,595	5,026	32,315	71,768	115,595	926,748	1574.10	1407.95	1555.90	2679.80	2448.00	2656.15
Nov-03	891	23	777	20	738	307	56,716	92,886	4,644	30,304	56,716	92,886	979,541	1630.25	1509.15	1615.25	2807.05	2603.95	2801.20
Dec-03	897	23	779	22	754	379	71,754	110,373	5,017	29,112	71,754	110,373	1,167,029	1914.40	1615.70	1879.75	3451.40	2816.80	3405.70
Jan-04	904	22	786	21	761	398	73,340	134,269	6,394	33,740	73,340	134,269	1,116,150	2014.65	1756.25	1809.75	3702.60	3234.00	3367.65
Feb-04	907	21	788	19	763	308	46,484	108,718	5,722	35,070	46,484	108,718	1,110,954	1935.80	1755.65	1800.30	3632.10	3193.80	3367.65
Mar-04	909	18	787	22	769	318	44,586	104,877	4,767	32,981	44,586	104,877	1,120,976	1898.70	1669.70	1771.90	3488.95	3064.10	3392.05
2003-04	**909**	**18**	**787**	**254**	**804**	**3780**	**713,301**	**1,099,534**	**4,329**	**29,090**	**713,301**	**1,099,534**	**1,120,976**	**2014.65**	**920.00**	**1771.90**	**3702.60**	**1259.75**	**3392.05**
Apr-04	918	18	795	20	771	319	53,686	100,951	5,048	31,600	53,686	100,951	1,171,828	1912.35	1771.45	1796.10	3875.55	3398.00	3639.80
May-04	928	16	804	21	776	357	54,651	98,920	4,710	27,697	54,651	98,920	950,494	1837.95	1292.20	1483.60	3756.65	2493.70	2846.90
Jun-04	940	12	813	22	787	336	41,987	84,898	3,859	25,298	41,987	84,898	979,700	1566.50	1437.90	1505.60	3018.40	2723.50	2903.35
Jul-04	929	12	815	22	793	377	63,058	93,836	4,265	24,918	63,058	93,836	1,066,087	1638.70	1472.55	1632.30	3162.85	2804.75	3082.10
Aug-04	936	9	820	22	799	358	57,543	86,856	3,948	24,260	57,543	86,856	1,143,075	1658.90	1573.70	1631.75	3206.15	3006.70	3199.00
Sep-04	945	7	824	22	809	367	62,666	88,508	4,023	24,124	62,666	88,508	1,227,550	1760.80	1619.90	1745.50	3543.60	3204.55	3504.25
Oct-04	950	6	828	22	814	299	47,274	75,698	3,785	25,233	47,274	75,698	1,253,825	1829.45	1737.85	1786.90	3653.40	3403.70	3481.55
Nov-04	**954**	**6**	**829**	**20**	**816**	**327**	**62,548**	**82,035**	**4,102**	**24,859**	**62,548**	**82,035**	**1,446,292**	**1963.80**	**1776.70**	**1958.80**	**3913.60**	**3466.65**	**3884.55**

* At the end of the period.

@ Excludes suspended companies.

S&P CNX Nifty Index commenced from November 3, 1995.

CNX Nifty Junior commenced from November 4, 1996.

Source: NSE

Table 10: Trends in Cash Segment of BSE, November 2004

Month/Year	No. of Companies Listed *	No. of Companies Permitted *	No. of Scrips Listed	No. of Scrips Traded	No. of Trades (Lakh)	Traded Quantity (Lakh)	Turnover (Rs. cr.)	Average Trade Size (Rs.)	Demat Securities Traded (Lakh)	Demat Turnover (Rs. cr.)	Market Capitalisation (Rs. cr.) *	High	Low	Close	High	Low	Close
01-Nov-04	4,721	27	6903	2219	8	1,314	1,415	17,566	1,201	1,243	1,345,967	5714.36	5649.03	5704.10	3052.07	3016.74	3047.82
02-Nov-04	4,721	27	6904	2284	9	1,584	1,538	17,029	1,474	1,393	1,359,068	5765.14	5713.24	5754.76	3079.87	3053.16	3075.28
03-Nov-04	4,721	27	6906	2287	10	1,838	1,782	17,498	1,722	1,632	1,377,383	5845.50	5771.73	5842.54	3120.70	3082.26	3119.41
04-Nov-04	4,722	27	6908	2327	10	1,716	1,664	17,224	1,566	1,469	1,378,398	5883.39	5814.37	5832.88	3141.59	3110.67	3118.26
05-Nov-04	4,723	27	6912	2311	10	2,525	2,245	22,851	1,369	1,332	1,453,674	5900.51	5823.44	5891.36	3151.65	3118.17	3148.45
08-Nov-04	4,723	27	6913	2333	9	1,800	1,797	19,247	1,453	1,465	1,460,843	5955.94	5912.52	5930.47	3176.03	3157.40	3160.99
09-Nov-04	4,723	27	6913	2331	9	1,686	1,745	20,202	1,420	1,474	1,456,339	5957.94	5910.41	5929.60	3172.87	3148.98	3156.57
10-Nov-04	4,723	27	6913	2344	9	1,638	1,610	17,669	1,456	1,421	1,471,066	5979.78	5918.95	5973.75	3184.29	3149.02	3181.12
11-Nov-04	4,723	27	6913	2303	9	1,513	1,451	16,426	1,356	1,272	1,466,472	5995.33	5943.33	5954.31	3193.65	3167.70	3172.87
12-Nov-04	4,723	27	6913	2068	4	671	504	13,735	614	446	1,472,558	6001.99	5945.98	5964.01	3198.89	3172.26	3180.51
16-Nov-04	4,723	27	6913	2320	9	1,611	1,500	16,752	1,432	1,299	1,476,734	6002.03	5949.24	5996.70	3204.69	3172.90	3200.74
17-Nov-04	4,724	27	6917	2427	11	2,172	1,781	15,994	1,937	1,558	1,487,783	6036.70	5997.74	6016.58	3226.63	3202.63	3219.90
18-Nov-04	4,724	27	6917	2448	12	2,686	1,999	16,975	2,465	1,782	1,495,059	6035.22	5985.57	6025.47	3236.60	3212.66	3231.26
19-Nov-04	4,724	27	6917	2410	12	3,000	2,146	17,449	2,757	1,762	1,479,439	6044.55	5953.42	5961.71	3243.81	3193.22	3196.94
22-Nov-04	4,724	27	6917	2340	10	2,353	1,811	18,504	2,128	1,609	1,485,001	5979.10	5877.97	5963.80	3205.02	3153.47	3197.99
23-Nov-04	4,724	27	6919	2403	12	3,016	1,884	15,726	2,761	1,671	1,501,867	6031.59	5977.76	6009.86	3239.21	3206.59	3228.92
24-Nov-04	4,725	27	6905	2440	12	2,923	1,908	16,251	2,549	1,605	1,512,199	6053.19	6001.46	6035.95	3254.54	3225.74	3246.65
25-Nov-04	4,725	27	6905	2461	13	2,941	2,333	17,981	2,651	1,998	1,509,905	6081.74	6014.98	6035.03	3272.65	3235.72	3246.20
29-Nov-04	4,725	27	6906	2466	12	2,625	2,285	19,724	2,408	2,009	1,534,401	6166.72	6029.82	6157.77	3313.31	3246.36	3308.78
30-Nov-04	4,725	27	6908	2459	12	2,733	2,346	19,320	2,421	2,008	1,539,595	6248.43	6194.61	6234.29	3347.10	3323.98	3339.75
Nov-04	**4,725**	**27**	**6,908**	**2,459**	**201**	**42,343**	**35,742**	**17,808**	**37,139**	**30,449**	**1,539,595**	**6,248.43**	**5,649.03**	**6,234.29**	**3,347.10**	**3,016.74**	**3,339.75**

* At the end of the period.

SENSEX commenced from January 2, 1986.

BSE-100 Index commenced from April 3, 1984.

Source: BSE

Table 11: Trends in Cash Segment of NSE, November 2004

Month/Year	No. of Companies Listed*	No. of Companies Permitted*	No. of Companies Available for Trading* @	No. of Companies Traded	No. of Trades (Lakh)	Traded Quantity (Lakh)	Turnover (Rs. cr.)	Average Trade Size (Rs.)	Demat Companies Traded (Lakh)	Demat Turnover (Rs. cr.)	Market Capitalisation (Rs. cr.)*	S&P CNX Nifty Index #			CNX Nifty Junior Index ##		
												High	Low	Close	High	Low	Close
1-Nov-04				797	14	1,942	3,215	2,288	1,942	3215	1,261,883	1800.25	1776.70	1797.75	3513.70	3466.65	3507.15
2-Nov-04				806	14	2,235	3,440	2,376	2,235	3440	1,273,445	1817.10	1798.30	1813.70	3544.25	3510.45	3540.05
3-Nov-04				805	17	2,810	4,314	2,496	2,810	4314	1,290,630	1838.40	1814.15	1837.40	3594.30	3550.80	3592.70
4-Nov-04		**NIL**		806	16	2,538	4,012	2,487	2,538	4012	1,291,472	1853.05	1830.50	1834.85	3634.30	3602.45	3607.40
5-Nov-04				808	18	4,333	5,038	2,875	4,333	5038	1,364,858	1854.40	1836.00	1852.30	3624.20	3598.70	3606.15
8-Nov-04				809	16	2,821	4,340	2,763	2,821	4340	1,370,969	1871.05	1852.45	1862.80	3638.10	3591.80	3595.55
9-Nov-04				809	15	2,427	3,755	2,569	2,427	3755	1,366,978	1869.45	1853.45	1858.75	3612.20	3564.25	3566.85
10-Nov-04				808	15	2,543	3,814	2,565	2,543	3814	1,379,735	1878.20	1857.70	1876.10	3596.75	3577.05	3588.80
11-Nov-04				806	14	2,311	3,378	2,359	2,311	3378	1,375,118	1884.65	1866.95	1870.55	3613.70	3581.95	3586.85
12-Nov-04				792	5	807	949	1,960	807	949	1,379,423	1885.05	1866.75	1872.95	3621.10	3592.50	3607.00
16-Nov-04				811	14	2,285	3,618	2,538	2,285	3618	1,382,743	1881.40	1862.80	1879.00	3656.10	3604.10	3649.15
17-Nov-04				814	17	3,222	4,065	2,351	3,222	4065	1,392,980	1892.15	1874.35	1888.65	3726.05	3657.25	3720.65
18-Nov-04				810	19	4,106	4,432	2,368	4,106	4432	1,399,296	1895.30	1880.80	1892.05	3781.35	3728.80	3772.55
19-Nov-04				810	20	4,415	4,541	2,273	4,415	4541	1,385,030	1898.15	1869.35	1872.35	3801.80	3725.05	3728.55
22-Nov-04				808	18	3,419	4,068	2,297	3,419	4068	1,388,771	1878.05	1845.10	1873.35	3730.45	3688.10	3718.35
23-Nov-04				810	18	4,443	4,286	2,322	4,443	4286	1,406,728	1900.05	1873.35	1892.60	3792.85	3716.75	3783.30
24-Nov-04				809	18	3,973	4,167	2,285	3,973	4167	1,416,811	1907.35	1889.85	1904.05	3827.55	3790.85	3809.05
25-Nov-04				812	21	4,315	5,663	2,726	4,315	5663	1,414,873	1915.80	1892.60	1901.05	3851.70	3808.55	3811.70
29-Nov-04				813	19	3,510	5,136	2,760	3,510	5136	1,439,097	1942.95	1894.60	1939.65	3881.40	3810.80	3876.00
30-Nov-04				811	20	4,095	5,804	2,882	4,095	5804	1,446,292	1963.80	1940.25	1958.80	3913.60	3870.60	3884.55
Nov-04	**954**	**6**	**829**	**816**	**327**	**62,548**	**82,035**	**24,859**	**62,548**	**82,035**	**1,446,292**	**1963.80**	**1776.70**	**1958.80**	**3913.60**	**3466.65**	**3884.55**

* At the end of the period.

@ Excludes suspended companies.

S&P CNX Nifty Index commenced from November 3, 1995.

CNX Nifty Junior commenced from November 4, 1996.

Source: NSE

Table 12: Turnover and Market Capitalisation at BSE and NSE, November 2004

(Rs. crore)

Date	Turnover										Market Capitalisation									
	BSE					NSE					BSE					NSE				
	Sensex	BSE-100	Total	A#	B#	S&P CNX Nifty	CNX Nifty Junior	Total	C#	D#	Sensex	BSE-100	Total	E#	F#	S&P CNX Nifty	CNX Nifty Junior	Total	G#	H#
1-Nov-04	719	929	1415	50.78	65.64	2186	192	3215	67.99	5.97	326,794	441,410	1,345,967	24.28	32.79	769,783	130,204	1,261,883	61.00	10.32
2-Nov-04	661	877	1538	43.00	57.04	2158	222	3440	62.74	6.44	329,696	445,387	1,359,068	24.26	32.77	776,612	131,426	1,273,445	60.99	10.32
3-Nov-04	796	1044	1782	44.65	58.60	2674	316	4314	62.00	7.32	334,726	451,777	1,377,383	24.30	32.80	786,770	133,380	1,290,630	60.96	10.33
4-Nov-04	725	984	1664	43.59	59.17	2486	308	4012	61.97	7.67	334,172	451,611	1,378,398	24.24	32.76	785,679	133,926	1,291,472	60.84	10.37
5-Nov-04	639	894	2245	28.49	39.81	2153	230	5038	42.74	4.56	337,523	455,983	1,453,674	23.22	31.37	793,150	133,880	1,364,858	58.11	9.81
8-Nov-04	763	988	1797	42.47	55.00	2476	209	4340	57.05	4.81	343,409	460,382	1,460,843	23.51	31.51	797,642	133,488	1,370,969	58.18	9.74
9-Nov-04	747	966	1745	42.81	55.37	2227	203	3755	59.30	5.40	343,358	459,739	1,456,339	23.58	31.57	795,904	132,423	1,366,978	58.22	9.69
10-Nov-04	679	879	1610	42.19	54.61	2288	188	3814	59.98	4.94	345,914	463,314	1,471,066	23.51	31.50	803,347	133,238	1,379,735	58.22	9.66
11-Nov-04	615	773	1451	42.37	53.25	1957	178	3378	57.95	5.28	344,789	462,112	1,466,472	23.51	31.51	800,970	133,165	1,375,118	58.25	9.68
12-Nov-04	177	239	504	35.18	47.33	495	55	949	52.13	5.80	345,351	463,226	1,472,558	23.45	31.46	802,002	133,913	1,379,423	58.14	9.71
16-Nov-04	657	866	1500	43.81	57.75	2349	230	3618	64.91	6.35	347,244	466,171	1,476,734	23.51	31.57	804,611	135,479	1,382,743	58.19	9.80
17-Nov-04	626	951	1781	35.14	53.42	2263	420	4065	55.67	10.33	348,395	468,963	1,487,783	23.42	31.52	808,761	138,134	1,392,980	58.06	9.92
18-Nov-04	673	1047	1999	33.68	52.37	2493	426	4432	56.26	9.62	348,910	470,616	1,495,059	23.34	31.48	810,198	140,061	1,399,296	57.90	10.01
19-Nov-04	692	1195	2146	32.25	55.67	2527	439	4541	55.65	9.66	345,217	465,618	1,479,439	23.33	31.47	801,765	138,426	1,385,030	57.89	9.99
22-Nov-04	670	915	1811	37.01	50.52	2406	245	4068	59.15	6.03	345,339	465,777	1,485,001	23.26	31.37	802,226	138,049	1,388,771	57.77	9.94
23-Nov-04	663	933	1884	35.20	49.52	2321	341	4286	54.16	7.96	348,006	470,282	1,501,867	23.17	31.31	811,426	140,461	1,406,728	57.68	9.98
24-Nov-04	604	852	1908	31.65	44.65	2179	315	4167	52.29	7.55	349,517	472,863	1,512,199	23.11	31.27	816,328	141,417	1,416,811	57.62	9.98
25-Nov-04	921	1260	2333	39.46	54.00	3406	395	5663	60.16	6.97	349,463	472,798	1,509,905	23.14	31.31	815,064	141,516	1,414,873	57.61	10.00
29-Nov-04	1093	1442	2285	47.82	63.10	3367	348	5136	65.55	6.78	356,570	481,916	1,534,401	23.24	31.41	831,642	143,903	1,439,097	57.79	10.00
30-Nov-04	958	1393	2346	40.82	59.38	3606	386	5804	62.14	6.66	361,002	486,426	1,539,595	23.45	31.59	839,857	144,221	1,446,292	58.07	9.97

A# = % age share of Sensex securities in total BSE turnover

B# = % age share of BSE-100 Index securities in total BSE turnover.

C# = % age share of S&P CNX Nifty securities in total NSE turnover.

D# = % age share of CNX Nifty Junior securities in total NSE turnover.

BSE-100 index shifted to free-float methodology w.e.f. April 5, 2004

Source: BSE, NSE

E# = % age share of Sensex securities in total BSE Market Capitalisation.

F# = % age share of BSE-100 Index securities in total BSE Market Capitalisation

G# = % age share of S&P CNX Nifty securities in total NSE Market Capitalisation.

H# = % age share of CNX Nifty Junior securities in total NSE Market Capitalisation.

Tabel 13 : Movement of Indices in BSE and NSE, November 2004

Date	Dollex 200	S&P CNX Defty			
	Close	Open	High	Low	Close
1-Nov-04	275.15	1364.40	1374.25	1356.30	1372.35
2-Nov-04	277.73	1371.90	1386.20	1371.90	1383.60
3-Nov-04	280.78	1381.25	1399.70	1381.25	1398.95
4-Nov-04	282.04	1403.55	1415.20	1398.00	1401.30
5-Nov-04	286.15	1407.50	1421.60	1407.50	1419.95
8-Nov-04	287.36	1420.70	1434.95	1420.70	1428.65
9-Nov-04	286.45	1429.55	1434.05	1421.75	1425.85
10-Nov-04	288.84	1426.85	1441.10	1425.35	1439.50
11-Nov-04	287.29	1439.40	1445.70	1432.15	1434.90
12-Nov-04	288.11	1436.25	1446.35	1432.30	1437.05
16-Nov-04	290.10	1437.25	1443.85	1429.60	1442.00
17-Nov-04	291.94	1444.65	1454.70	1441.00	1452.00
18-Nov-04	293.31	1454.35	1458.10	1446.90	1455.55
19-Nov-04	289.42	1454.90	1459.65	1437.45	1439.80
22-Nov-04	289.93	1439.00	1443.20	1417.90	1439.60
23-Nov-04	293.28	1440.90	1461.40	1440.90	1455.70
24-Nov-04	294.78	1455.80	1466.70	1453.25	1464.15
25-Nov-04	294.69	1464.35	1473.20	1455.35	1461.85
29-Nov-04	300.31	1461.50	1495.05	1457.85	1492.55
30-Nov-04	303.63	1500.65	1518.85	1500.65	1515.00

Dollex 200 is calculated at the end of trading session, hence open, high, low are not available.

Source: BSE, NSE

Table 14: Component Stocks: BSE Sensex November 2004

Sl. No.	Name of Security	Issued Capital (Rs. mn.)	Market Capitalisation (Rs. cr.)	Weightage (percentage)	Beta	R^2	Daily Volatility (percentage)	Monthly Return (percentage)	Impact Cost (percentage)
1	A.C.C.	178	4601	1.27	1.00	0.53	2.23	11.94	0.19
2	BAJAJ AUTO	101	7155	1.98	0.66	0.31	1.90	4.85	0.31
3	BHARTI TELE-VENTURE	1853	6433	1.78	0.97	0.23	3.27	10.33	0.27
4	BHEL	245	5312	1.47	1.36	0.52	3.04	(0.78)	0.25
5	BSES LTD.	186	5203	1.44	1.49	0.55	3.24	(10.53)	0.31
6	CIPLA LTD.	60	4992	1.38	0.78	0.33	2.18	(0.73)	0.39
7	DR.REDDY'S LAB.	38	4556	1.26	0.53	0.14	2.31	5.64	0.34
8	GRASIM IND.	92	8272	2.29	0.91	0.39	2.36	4.04	0.24
9	GUJ AMB CEMENT	177	4879	1.35	1.04	0.51	2.35	7.65	0.27
10	HDFC BANK	287	10644	2.95	0.98	0.38	2.57	19.54	0.37
11	HDFC LTD.	247	16790	4.65	0.69	0.21	2.42	25.18	0.35
12	HERO HONDA	40	4919	1.36	0.99	0.40	2.54	16.37	0.24
13	HIND.LEVER	220	15909	4.41	0.70	0.32	2.00	15.92	0.17
14	HIND.PETROLEUM	339	5747	1.59	0.94	0.34	2.61	10.04	0.19
15	HINDALCO	92	9068	2.51	0.79	0.31	2.30	10.13	0.32
16	ICICI BANK	735	25000	6.93	0.96	0.35	2.63	13.78	0.23
17	INFOSYS TECHNOLOGIES	134	46037	12.75	0.92	0.48	2.15	12.69	0.11
18	ITC LTD.	248	22353	6.19	0.76	0.37	2.03	18.40	0.24
19	LARSEN & TOUBRO	25	10112	2.80	0.21	0.10	2.01	8.91	0.27
20	MARUTI UDYOG	144	3641	1.01	1.28	0.48	3.01	11.91	0.17
21	OIL & NATURAL GAS (ONGC)	1426	17411	4.82	1.17	0.44	2.84	3.28	0.15
22	RANBAXY LAB.	186	14633	4.05	0.54	0.28	1.65	2.34	0.17
23	RELIANCE INDUSTRIES	1396	39687	10.99	1.19	0.74	2.23	(2.36)	0.18
24	SATYAM COMPUTERS	63	12368	3.43	1.04	0.43	2.56	15.81	0.12
25	STATE BANK OF INDIA	526	12545	3.48	1.40	0.69	2.74	18.41	0.26
26	TATA MOTORS	358	10386	2.88	1.35	0.62	2.77	15.85	0.22
27	TATA POWER	198	4753	1.32	1.52	0.61	3.15	14.39	0.23
28	TISCO	554	13434	3.72	1.51	0.44	3.67	12.43	0.29
29	WIPRO LTD.	140	10713	2.97	1.33	0.57	2.86	16.52	0.16
30	ZEE TELEFILM	41	3449	0.96	0.74	0.14	3.18	1.67	0.26
	Total	**10,330**	**361,002**	**100.00**				**9.91**	

* Beta & R^2 are calculated for the period December 1, 2003 to November 30, 2004. Beta measures the degree to which any portfolio of stocks is affected as compared to the effect on the market as a whole. The coefficient of determination (R^2) measures the strength of relationship between two variables the return on a security versus that of the market.

* Volatility is the standard deviation of the daily returns for the period December 1, 2003 to November 30, 2004

* Impact cost is calculated as the difference between actual buy price and ideal buy price, divided by ideal buy price, multiplied by 100. Hence ideal price is calculated as (best buy + best sell)/2. It is calculated for a month for the portfolio size of Rs. 5 lakh. It is calculated for the period November 1, 2004 to November 30, 2004.

Source: BSE

Table 15: S&P CNX Nifty Index, November 2004

Sl. No.	Name of Security	Issued Capital (Rs. cr.)	Market Capitalisation (Rs. cr.)	Weightage (%)	Beta	R^2	Volatility (%)	Monthly Return (%)	Impact Cost (%)
1	ABB	42	4,044	0.48	0.54	0.21	1.48	25.06	0.12
2	ACC	178	5,115	0.61	0.94	0.54	0.99	11.94	0.06
3	BAJAJAUTO	101	10,208	1.22	0.59	0.29	1.28	4.90	0.10
4	BHARTI	1853	32,193	3.83	0.92	0.24	1.22	10.53	0.12
5	BHEL	245	15,173	1.81	1.29	0.56	1.08	(0.74)	0.06
6	BPCL	300	11,787	1.40	0.90	0.27	3.41	13.47	0.10
7	BRITANNIA	25	1,882	0.22	0.19	0.05	0.84	13.33	0.18
8	CIPLA	60	8,330	0.99	0.71	0.33	1.24	(0.54)	0.08
9	COLGATE	136	2,357	0.28	0.38	0.15	1.71	18.81	0.15
10	DABUR	29	2,521	0.30	0.74	0.21	2.91	9.18	0.14
11	DRREDDY	38	6,086	0.72	0.53	0.16	1.03	5.87	0.07
12	GAIL	846	18,435	2.20	1.71	0.59	1.42	11.74	0.10
13	GLAXO	87	6,449	0.77	0.46	0.17	1.96	9.71	0.14
14	GRASIM	92	10,342	1.23	0.85	0.42	1.46	3.86	0.07
15	GUJAMBCEM	179	6,611	0.79	0.96	0.52	1.06	7.76	0.08
16	HCLTECH	59	11,087	1.32	0.81	0.30	1.13	2.49	0.08
17	HDFC	247	19,775	2.35	0.63	0.22	1.74	25.04	0.08
18	HDFCBANK	287	14,233	1.69	0.94	0.39	1.68	19.66	0.10
19	HEROHONDA	40	9,841	1.17	0.86	0.38	1.77	16.32	0.08
20	HINDALCO	92	12,101	1.44	0.72	0.31	0.95	10.22	0.07
21	HINDLEVER	220	31,830	3.79	0.63	0.31	1.57	15.87	0.08
22	HINDPETRO	339	11,497	1.37	0.91	0.38	2.53	10.04	0.09
23	ICICIBANK	726	24,679	2.94	0.87	0.34	2.13	13.61	0.09
24	INDHOTEL	45	2,260	0.27	0.60	0.30	1.74	6.72	0.16
25	INFOSYSTCH	134	57,569	6.85	0.80	0.44	1.43	12.74	0.04
26	IPCL	248	4,472	0.53	1.65	0.62	1.33	(3.95)	0.07
27	ITC	248	31,962	3.81	0.67	0.35	1.66	18.49	0.07
28	MARUTI	144	12,137	1.45	1.19	0.50	1.51	11.80	0.05
29	M&M	116	5,680	0.68	1.03	0.51	1.32	10.08	0.07
30	MTNL	630	10,209	1.22	1.01	0.38	1.28	17.39	0.08
31	NATIONALUM	644	11,630	1.38	1.31	0.56	1.16	7.66	0.09
32	ONGC	1426	116,199	13.84	1.16	0.51	1.19	3.22	0.06
33	ORIENTBANK	193	5,778	0.69	1.74	0.62	1.95	25.46	0.10
34	PNB	265	9,255	1.10	1.32	0.41	2.36	42.10	0.09
35	RANBAXY	186	20,851	2.48	0.49	0.26	1.76	2.10	0.06
36	REL	186	10,403	1.24	1.35	0.55	1.66	(10.60)	0.10
37	RELIANCE	1396	72,200	8.60	1.06	0.72	1.40	(2.29)	0.05
38	SAIL	4130	22,655	2.70	1.72	0.62	1.77	11.03	0.08
39	SATYAMCOMP	64	13,793	1.64	0.93	0.41	1.72	15.96	0.04
40	SBIN	526	27,878	3.32	1.30	0.71	1.86	18.40	0.05
41	SCI	282	5,086	0.61	1.51	0.53	2.21	5.69	0.08
42	SUNPHARMA	93	9,209	1.10	0.53	0.14	2.44	12.33	0.13
43	TATACHEM	215	3,136	0.37	1.11	0.45	2.13	13.60	0.09
44	TATAPOWER	198	6,801	0.81	1.44	0.64	1.53	14.53	0.07
45	TATATEA	56	2,495	0.30	0.96	0.44	1.41	8.24	0.08
46	TATAMOTORS	358	17,336	2.06	1.25	0.64	1.73	16.04	0.06
47	TISCO	553	17,905	2.13	1.33	0.67	1.14	12.40	0.05
48	VSNL	285	6,509	0.78	0.94	0.26	3.01	36.64	0.13
49	WIPRO	140	53,601	6.38	1.23	0.55	1.32	16.56	0.08
50	ZEETELE	41	6,274	0.75	0.69	0.15	1.75	1.64	0.09
	Total	**19027**	**839,857**	**100.00**	**1.00**	**—**	**1.76**	**9.25**	**0.08**

Beta and R^2 are calculated for the period 01 December 2003 to November 30, 2004.

* Beta measures the degree to which any portfolio of stocks is affected as compared to the effect on the market as a whole.

* The coefficient of determination (R^2) measures the strength of relationship between two variables the return on a security versus that of the market.

* Volatility is the Std. deviation of the daily returns for the period December 1, 2003 to November 30, 2004.

* Last day of trading was November 30, 2004

* Impact Cost for S&P CNX Nifty is for a portfolio of Rs. 50 lakhs

* Impact Cost for S&P CNX Nifty is the weightage average impact cost

Source: NSE

Table 16: Volatility* of Major Indices

(per cent)

Month/Year	Sensex	BSE-100 Index	Dollex-200	S&P CNX Nifty	CNX Nifty Junior	S&P CNX Defty
2001-02	**1.50**	**1.60**	**1.62**	**1.40**	**1.58**	**1.42**
2002-03	**1.01**	**0.99**	**0.98**	**0.99**	**1.23**	**0.99**
Apr-03	1.21	1.28	1.18	1.38	1.16	1.40
May-03	0.72	0.77	0.76	0.74	1.21	0.73
Jun-03	1.02	0.92	0.92	0.94	1.46	1.07
Jul-03	1.04	1.00	1.06	1.04	1.48	1.09
Aug-03	1.10	1.17	1.16	1.17	1.41	1.20
Sep-03	1.69	2.01	1.98	1.81	1.15	1.33
Oct-03	1.44	1.59	1.64	1.52	1.65	1.61
Nov-03	1.31	1.24	1.25	1.30	1.13	1.30
Dec-03	0.91	0.90	0.91	0.96	1.02	0.98
Jan-04	2.05	2.56	2.55	2.18	2.55	2.19
Feb-04	1.50	1.79	1.76	1.69	1.78	1.68
Mar-04	1.45	1.50	1.62	1.48	1.55	1.50
2003-04	**1.35**	**1.51**	**1.52**	**1.43**	**1.57**	**1.46**
Apr-04	1.30	1.31	1.35	1.41	1.58	1.54
May-04	3.81	3.90	4.63	4.21	4.90	4.33
Jun-04	1.36	1.36	1.54	1.46	1.39	1.64
Jul-04	1.06	1.07	1.19	1.29	1.18	1.35
Aug-04	0.92	0.91	0.94	0.99	0.94	1.04
Sep-04	0.73	0.70	0.80	0.83	0.76	0.83
Oct-04	0.90	0.85	0.97	0.97	0.89	0.99
Nov-04	**0.69**	**0.65**	**0.72**	**0.68**	**0.86**	**0.73**

Source: BSE and NSE.

Table 17: City-Wise Distribution of Turnover on Cash Segments of BSE and NSE

(Percentage share in turnover)

Sl. No.	Stock Exchange City	BSE			NSE		
		2002-03	2003-04	Nov-04	2002-03	2003-04	Nov-04
1	Ahmedabad	2.34	3.38	3.16	2.28	2.99	2.65
2	Bangalore	0.44	0.7	0.74	2.52	1.76	1.61
3	Baroda	0.82	0.03	0.02	0.68	0.7	0.71
4	Bhubaneshwar	0.02	0.03	0.03	0.05	0.02	0.02
5	Chennai	0.26	0.33	0.50	3.59	2.88	2.82
6	Cochin	0.12	0.11	0.14	0.88	0.71	0.66
7	Coimbatore	0.04	0.03	0.16	0.55	0.45	0.48
8	Delhi	2.14	2.63	3.12	18.38	16.38	13.65
9	Gauhati	0.03	0.05	0.07	0.05	0	0.02
10	Hyderabad	0.13	0.15	0.30	3.2	2.41	2.29
11	Indore	0.63	0.47	0.45	0.85	1.01	0.97
12	Jaipur	0.71	0.8	0.75	1.33	1.34	1.13
13	Kanpur	0.41	0.44	0.46	0.75	0.5	0.38
14	Kolkata	1.36	1.09	1.06	12.03	13.15	11.64
15	Ludhiana	0.24	0.35	0.37	0.44	0.43	0.41
16	Mumbai	77.56	74.52	74.71	40.01	44.07	50.24
17	Patna	0.03	0.07	0.08	0.12	0.09	0.10
18	Pune	0.35	0.48	0.87	1.06	0.97	0.72
19	Mangalore	0.12	0.08	0.06	0.12	0.1	0.09
20	Rajkot	1.37	1.66	1.55	0.27	0.25	0.31
21	Others	10.88	12.6	11.40	10.84	9.79	9.10
	Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: BSE, NSE

Table 18: Advances/Declines in cash segment of exchanges (No. of Securities)

Month/Date	BSE			NSE		
	Advances	Declines	Advance/ Decline Ratio	Advances	Declines	Advance/ Decline Ratio
Apr-02	**1,021**	**407**	**2.51**	**381**	**354**	**1.08**
May-02	**938**	**483**	**1.94**	**329**	**412**	**0.80**
Jun-02	**1,055**	**358**	**2.95**	**412**	**352**	**1.17**
Jul-02	**1,018**	**393**	**2.59**	**304**	**464**	**0.66**
Aug-02	**106**	**1,300**	**0.08**	**355**	**376**	**0.94**
Sep-02	**284**	**1,106**	**0.26**	**302**	**419**	**0.72**
Oct-02	**266**	**1,110**	**0.24**	**301**	**369**	**0.82**
Nov-02	**717**	**645**	**1.11**	**374**	**297**	**1.26**
Dec-02	**1,072**	**294**	**3.65**	**323**	**357**	**0.91**
Jan-03	**903**	**1,363**	**0.66**	**342**	**378**	**0.91**
Feb-03	**612**	**1,563**	**0.39**	**303**	**361**	**0.84**
Mar-03	**433**	**1,633**	**0.27**	**247**	**413**	**0.60**
Apr-03	**1,003**	**951**	**1.05**	**199**	**228**	**0.87**
May-03	**1,512**	**414**	**3.65**	**397**	**280**	**1.42**
Jun-03	**1,703**	**228**	**7.47**	**381**	**313**	**1.22**
Jul-03	**1,663**	**257**	**6.47**	**351**	**360**	**0.97**
Aug-03	**1,762**	**591**	**2.98**	**374**	**349**	**1.07**
Sep-03	**782**	**1,524**	**0.51**	**286**	**364**	**0.78**
Oct-03	**892**	**1,353**	**0.66**	**321**	**344**	**0.93**
Nov-03	**1,455**	**753**	**1.93**	**382**	**304**	**1.26**
Dec-03	**2,061**	**145**	**14.21**	**409**	**316**	**1.30**
Jan-04	**1,098**	**1,092**	**1.01**	**290**	**446**	**0.65**
Feb-04	**240**	**1,933**	**0.12**	**310**	**407**	**0.76**
Mar-04	**336**	**1,815**	**0.19**	**319**	**399**	**0.80**
Apr-04	**1,651**	**472**	**3.50**	**399**	**324**	**1.23**
May-04	**783**	**1,298**	**0.60**	**329**	**403**	**0.82**
Jun-04	**442**	**1,818**	**0.24**	**349**	**370**	**0.94**
Jul-04	**1548**	**676**	**0.24**	**402**	**331**	**1.22**
Aug04	**1593**	**740**	**2.15**	**390**	**356**	**1.10**
Sep-04	**2043**	**272**	**7.51**	**398**	**369**	**1.08**
Oct-04	**1872**	**599**	**3.13**	**354**	**415**	**0.85**
1-Nov-04	1295	813	1.59	450	310	1.45
2-Nov-04	1496	679	2.20	544	236	2.31
3-Nov-04	1465	724	2.02	552	227	2.43
4-Nov-04	1095	1134	0.97	362	417	0.87
5-Nov-04	1163	1052	1.11	369	415	0.89
8-Nov-04	1245	986	1.26	397	386	1.03
9-Nov-04	848	1376	0.62	279	504	0.55
10-Nov-04	1513	722	2.10	574	209	2.75
11-Nov-04	1169	1029	1.14	363	412	0.88
12-Nov-04	1540	444	3.47	586	179	3.27
16-Nov-04	1307	913	1.43	428	368	1.16
17-Nov-04	1539	789	1.95	531	252	2.11
18-Nov-04	1379	975	1.41	483	301	1.60
19-Nov-04	832	1489	0.56	237	559	0.42
22-Nov-04	1597	652	2.45	557	235	2.37
23-Nov-04	1631	677	2.41	585	208	2.81
24-Nov-04	1441	916	1.57	475	309	1.54
25-Nov-04	1138	1238	0.92	340	457	0.74
29-Nov-04	1561	805	1.94	528	265	1.99
30-Nov-04	566	1823	0.31	174	626	0.28
Nov-04	**2129**	**402**	**5.30**	**441**	**344**	**1.28**

Source: BSE and NSE

Table 19: Trading Frequency in cash segment of BSE & NSE

Month/Year	BSE			NSE		
	Scrips Listed*	Scrips Traded	% of Traded to Listed	Companies Available for Trading*	Companies Traded	% of Traded to Available for Trading
Apr-02	**7,394**	**2,097**	**28.36**	**865**	**843**	**97.46**
May-02	**7,458**	**2,118**	**28.40**	**863**	**821**	**95.13**
Jun-02	**7,579**	**2,240**	**29.56**	**848**	**825**	**97.29**
Jul-02	**7,319**	**2,363**	**32.29**	**841**	**820**	**97.50**
Aug-02	**7,324**	**2,304**	**31.46**	**839**	**806**	**96.07**
Sep-02	**7,327**	**2,263**	**30.89**	**840**	**806**	**95.95**
Oct-02	**7,278**	**2,225**	**30.57**	**803**	**770**	**95.89**
Nov-02	**7,273**	**2,242**	**30.83**	**788**	**767**	**97.34**
Dec-02	**7,279**	**2,307**	**31.69**	**788**	**762**	**96.70**
Jan-03	**7,403**	**2,311**	**31.22**	**789**	**763**	**96.70**
Feb-03	**7,355**	**2,221**	**30.20**	**788**	**760**	**96.45**
Mar-03	**7,363**	**2,191**	**29.76**	**788**	**762**	**96.70**
Apr-03	**7,355**	**2,094**	**28.47**	**771**	**749**	**97.15**
May-03	**7,335**	**2,173**	**29.63**	**769**	**743**	**96.62**
Jun-03	**7,349**	**2,245**	**30.55**	**769**	**744**	**96.75**
Jul-03	**7,360**	**2,405**	**32.68**	**774**	**755**	**97.55**
Aug-03	**7,347**	**2,363**	**32.16**	**775**	**752**	**97.03**
Sep-03	**7,354**	**2,357**	**32.05**	**774**	**761**	**98.32**
Oct-03	**7,343**	**1,692**	**23.04**	**776**	**728**	**93.81**
Nov-03	**7,353**	**1,697**	**23.08**	**777**	**738**	**94.98**
Dec-03	**7,368**	**2,230**	**30.27**	**779**	**754**	**96.79**
Jan-04	**7,305**	**2,118**	**28.99**	**786**	**761**	**96.82**
Feb-04	**7,332**	**2,075**	**28.30**	**788**	**763**	**96.83**
Mar-04	**7,264**	**2,610**	**35.93**	**787**	**769**	**97.71**
Apr-04	**7,098**	**1,907**	**26.87**	**795**	**771**	**96.98**
May-04	**7,223**	**1,768**	**24.48**	**804**	**776**	**96.52**
Jun-04	**7,560**	**1,780**	**23.54**	**813**	**787**	**96.80**
July-04	**7,087**	**1,991**	**28.09**	**815**	**793**	**97.30**
Aug-04	**7133**	**2093**	**0.29**	**820**	**799**	**0.97**
Sep-04	**7,148**	**2,314**	**0.32**	**824**	**809**	**0.98**
Oct-04	**6,903**	**2,213**	**0.32**	**828**	**814**	**0.98**
1-Nov-04	6903	2219	0.32			
2-Nov-04	6904	2284	0.33			
3-Nov-04	6906	2287	0.33			
4-Nov-04	6908	2327	0.34			
5-Nov-04	6912	2311	0.33			
8-Nov-04	6913	2333	0.34			
9-Nov-04	6913	2331	0.34			
10-Nov-04	6913	2344	0.34			
11-Nov-04	6913	2303	0.33		**N.A.**	
12-Nov-04	6913	2068	0.30			
16-Nov-04	6913	2320	0.34			
17-Nov-04	6917	2427	0.35			
18-Nov-04	6917	2448	0.35			
19-Nov-04	6917	2410	0.35			
22-Nov-04	6917	2340	0.34			
23-Nov-04	6919	2403	0.35			
24-Nov-04	6905	2440	0.35			
25-Nov-04	6905	2461	0.36			
29-Nov-04	6906	2466	0.36			
30-Nov-04	6908	2459	0.36			
Nov-04	**6908**	**2459**	**0.36**	**829**	**816**	**0.98**

*At the end of the period Includes listed/permitted to trade companies but excludes suspended companies.

Source: BSE, NSE

Table 20: Percentage Share of Top 'N' Securities/Members in Turnover in Cash Segment

Month/Year	BSE					NSE				
	5	10	25	50	100	5	10	25	50	100
Securities										
1992-93	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1993-94	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1994-95	NA	NA	NA	NA	NA	48.77	55.92	68.98	81.14	91.07
1995-96	NA	NA	NA	NA	NA	82.98	86.60	90.89	93.54	95.87
1996-97	72.87	81.68	88.10	91.06	93.41	84.55	91.96	95.70	97.03	98.19
1997-98	67.09	79.91	89.00	93.72	96.83	72.98	85.17	92.41	95.76	97.90
1998-99	48.80	64.51	81.07	89.40	95.35	52.56	67.11	84.71	92.03	95.98
1999-00	36.95	55.10	77.75	87.29	92.95	39.56	59.22	82.31	88.69	93.66
2000-01	49.99	70.35	87.70	94.04	97.45	52.15	72.90	88.93	94.57	97.46
2001-02	30.67	43.94	66.24	81.66	91.51	44.43	62.92	82.24	91.56	95.91
2002-03	37.72	53.27	74.38	86.19	93.26	40.58	55.41	77.80	89.16	95.38
2003-04	30.76	43.55	60.89	74.53	85.93	31.05	44.88	64.34	79.47	91.06
Apr-04	28.92	49.32	67.33	81.68	90.81	28.53	48.03	69.20	85.50	94.47
May-04	35.79	52.31	68.98	82.81	92.03	32.60	50.85	70.30	85.26	94.57
June-04	38.72	58.60	74.59	87.10	93.96	35.86	55.96	75.62	89.32	96.15
July-04	34.83	51.02	68.55	80.89	89.88	32.89	52.13	71.12	85.18	93.3
Aug-04	34.83	51.02	68.55	80.89	89.88	29.92	48.89	66.71	80.47	90.34
Sep-04	26.57	41.75	55.45	66.67	78.88	26.61	44.43	60.62	74.75	86.90
Oct-04	28.21	43.29	55.73	66.59	78.57	30.59	47.45	62.77	75.97	87.19
Nov-04	**24.15**	**35.55**	**47.30**	**57.75**	**69.17**	**27.95**	**41.45**	**57.40**	**70.50**	**82.18**
Members										
1992-93	5.73	10.39	22.30	36.40	56.37	NA	NA	NA	NA	NA
1993-94	6.15	10.58	21.05	35.30	55.93	NA	NA	NA	NA	NA
1994-95	4.59	8.46	17.85	29.59	48.17	18.19	26.60	44.37	61.71	81.12
1995-96	7.23	12.23	24.06	37.88	55.62	10.65	16.56	28.61	41.93	58.59
1996-97	11.82	18.28	31.32	45.55	64.17	5.94	10.08	19.67	30.57	45.95
1997-98	13.73	21.06	33.75	47.75	65.21	6.29	10.59	18.81	29.21	44.24
1998-99	9.78	16.04	28.31	44.00	64.30	7.73	11.96	20.77	31.66	47.02
1999-00	8.42	14.30	25.90	40.74	59.98	7.86	12.99	22.78	34.41	49.96
2000-01	7.87	13.56	25.70	40.40	59.90	7.78	12.76	23.00	33.86	48.79
2001-02	8.45	14.78	28.83	45.30	65.75	7.14	12.29	23.63	36.32	53.40
2002-03	13.65	20.78	35.79	52.85	72.55	10.26	16.41	29.07	42.49	59.15
2003-04	14.30	22.13	37.98	54.08	73.32	11.58	17.36	30.34	44.05	61.37
Apr-04	16.00	24.23	40.65	55.91	74.32	12.98	19.55	33.39	47.33	64.41
May-04	17.03	25.99	41.91	57.22	75.34	12.77	19.76	34.42	47.86	64.92
Jun-04	17.63	26.10	43.03	57.84	76.18	12.52	18.58	33.12	47.53	64.25
Jul-04	16.54	25.25	40.87	55.72	74.29	12.63	19.51	33.95	47.95	64.42
Aug-04	17.02	24.97	40.45	55.76	74.57	12.59	19.01	33.45	47.47	64.21
Sep-04	15.65	23.47	38.39	54.28	73.04	13.81	20.33	34.83	48.91	65.32
Oct-04	15.77	23.70	39.82	55.56	73.04	14.47	21.84	37.33	51.28	66.19
Nov-04	**14.94**	**22.85**	**37.78**	**53.15**	**70.98**	**14.68**	**22.46**	**38.19**	**51.57**	**66.54**

Source: BSE, NSE

Table 21: Settlement Statistics for Cash Segment of BSE

Month/Year	No. of Trades (Lakh)	Traded Quantity (Lakh)	Delivered Quantity (Lakh)	% of Delivered Quantity to Traded Quantity	Turnover (Rs. cr.)	Delivered Value (Rs. cr.)	% of Delivered Value to Total Turnover	Delivered Quantity in Demat Mode (Lakh)	% of Demat Delivered Quantity to Total Delivered Quantity	Delivered Value in Demat Mode (Rs. cr.)	% of Demat Delivered Value to Total Delivered Value	Short Delivery (Auctioned quantity) (Lakh)	% of Short Delivery to Delivery	Unrectified Bad Delivery (Auctioned quantity) (Lakh)	% of Unrectified Bad Delivery to Delivery	Funds Pay-in (Rs. cr.)	Securities Pay-in (Rs. cr.)	Trade Guarantee Fund (Rs. cr.)*
1992-93	**126**	**35031**	**NA**	**NA**	**45,696**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1993-94	**123**	**75834**	**NA**	**NA**	**84,536**	**15,861**	**18.76**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1994-95	**196**	**107,248**	**44,696**	**41.68**	**67,749**	**26,641**	**39.32**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1995-96	**171**	**77,185**	**26,763**	**34.67**	**50,064**	**11,527**	**23.02**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1996-97	**155**	**80,926**	**21,188**	**26.18**	**124,190**	**10,993**	**8.85**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1997-98	**196**	**85,877**	**24,360**	**28.37**	**207,113**	**22,512**	**10.87**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1998-99	**354**	**129,272**	**50,570**	**39.12**	**310,750**	**85,617**	**27.55**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1999-00	**740**	**208,635**	**94,312**	**45.20**	**686,428**	**174,740**	**25.46**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
2000-01	**1428**	**258,511**	**86,684**	**33.53**	**1,000,032**	**166,941**	**16.69**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
2001-02	**1277**	**182,196**	**57,668**	**31.65**	**307,292**	**59,980**	**19.52**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
2002-03	**1413**	**221400.84**	**69892.66**	**31.57**	**314073.22**	**48741.32**	15.52	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**748**
Apr-03	96	14,144	3,754	26.54	20,823	3,580	17.19	3,749	99.86	3,570	99.72	40.99	1.09	0.02	0.00	1,817	3,580	730
May-03	118	21,652	7,374	34.06	22,510	4,875	21.66	7,319	99.25	4,846	99.40	55.71	0.76	0.03	0.00	1,864	4,875	719
Jun-03	139	26,493	9,284	35.04	24,933	5,941	23.83	9,278	99.93	5,876	98.90	85.31	0.92	0.01	0.00	2,179	5,941	721
Jul-03	149	35,782	13,142	36.73	32,976	8,162	24.75	13,117	99.81	8,022	98.29	117.17	0.89	0.11	0.00	2,952	8,162	710
Aug-03	181	46,431	16,079	34.63	36,334	8,667	23.85	16,067	99.92	8,647	99.77	168.06	1.03	0.13	0.00	2,817	8,667	761
Sep-03	180	36,567	11,755	32.15	44,698	9,483	21.22	11,744	99.91	9,470	99.86	102.12	0.87	0.23	0.00	3,544	9,483	764
Oct-03	189	36,381	11,019	30.29	53,065	10,698	20.16	10,940	99.29	10,645	99.51	106.94	0.98	0.11	0.00	4,073	10,698	782
Nov-03	176	33,188	11,360	34.23	45,029	9,749	21.65	11,326	99.70	9,706	99.56	102.80	0.91	0.07	0.00	3,207	9,749	836
Dec-03	233	47,355	20,452	43.19	54,816	14,483	26.42	20,412	99.80	14,440	99.71	248.50	1.22	0.12	0.00	5,081	14,483	969
Jan-04	223	43,347	15,020	34.65	65,620	14,207	21.65	15,009	99.92	14,178	99.80	131.03	0.87	0.07	0.00	4,852	14,178	939
Feb-04	158	24,349	6,678	27.43	51,464	8,703	16.91	6,671	99.90	8,689	99.85	82.12	1.23	0.03	0.00	3,604	8,689	924
Mar-04	161	24,753	7,322	29.58	50,786	8,607	16.95	7,309	99.83	8,583	99.72	52.18	0.71	0.05	0.00	3,580	8,583	911
2003-04	**2005**	**385,806**	**133,239**	**34.54**	**503,053**	**107,153**	**21.30**	**132,941**	**99.78**	**106,672**	**99.55**	**1292.94**	**0.97**	**0.99**	**0.00**	**39,571**	**107,087**	**911**
Apr-04	156	25,669	7,537	29.36	44,864	9,685	21.59	7,532	99.93	9,667	99.81	52.51	0.70	0.03	0.00	3,868	9,667	917
May-04	170	25,907	7,927	30.60	45,938	10,236	22.28	7,926	99.98	10,224	99.89	42.85	0.54	0.02	0.00	4,210	10,236	910
Jun-04	149	19,122	5,317	27.81	36,990	6,500	17.57	5,313	99.93	6,490	99.84	24.10	0.45	0.02	0.00	2,869	6,490	892
Jul-04	175	28,624	8,242	28.80	39,449	7,478	18.96	8,236	99.92	7,465	99.83	49.63	0.60	0.03	0.00	2,729	7,465	887
Aug-04	178	30,446	10,356	34.01	38,195	8,260	21.63	10,349	99.93	8,253	99.92	64.42	0.62	0.01469	0.00	2,904	8,253	891
Sep-04	205	36,955	14,630	39.59	39,603	10,716	27.06	14,624	99.96	10,707	99.92	115.51	0.79	0.07	0.00	3,497	10,707	926
Oct-04	174	29,309	12,489	42.61	34,608	10,318	29.81	12,482	99.95	10,310	99.92	104.54	0.84	0.08	0.00	3,621	10,318	934
Nov-04	**201**	**42,343**	**20,296**	**47.93**	**35,742**	**12,390**	**34.67**	**20,285**	**99.95**	**12,380**	**99.92**	**182.88**	**0.90**	**0.00**	**0.00**	**3,932**	**12,390**	**1,030**

* Balance at the end of period.

Source: BSE

Table 22: Settlement Statistics for Cash Segment of NSE

Month/Year	No. of Trades (Lakh)	Traded Quantity (Lakh)	Delivered Quantity (Lakh)	% of Delivered Quantity to Traded Quantity	Turnover (Rs. cr.)	Delivered Value (Rs. cr.)	% of Delivered Value to Total Turnover	Delivered Quantity in Demat Mode (Lakh)	% of Demat Delivered Quantity to Total Delivered Quantity	Delivered Value in Demat Mode (Rs. cr.)	% of Demat Delivered Value to Total Delivered Value	Short Delivery (Auctioned quantity) (Lakh)	% of Short Delivery to Delivery	Unrectified Bad Delivery (Auctioned quantity) (Lakh)	% of Unrectified Bad Delivery to Delivery	Funds Pay-in (Rs. cr.)	Securities Pay-in (Rs. cr.)	Settlement Guarantee Fund (Rs. cr.)*
Nov 94-Mar 95	3	1,330	688	51.74	1,728	898	51.98	NA	NA	NA	NA	6	0.85	1.76	0.26	300	NA	NA
1995-96	64	39,010	7,264	18.62	65,742	11,775	17.91	NA	NA	NA	NA	179	2.46	32.17	0.44	3,258	NA	NA
1996-97	262	134,317	16,453	12.25	292,314	32,640	11.17	NA	NA	NA	NA	382	2.32	66.25	0.40	7,212	NA	NA
1997-98	383	135,217	22,051	16.31	370,010	59,775	16.15	NA	NA	NA	NA	333	1.51	72.90	0.33	10,827	NA	NA
1998-99	550	165,310	27,991	16.93	413,573	66,204	16.01	6,179	22.08	11,571	17.48	305	1.09	69.73	0.25	12,175	NA	584
1999-00	958	238,605	48,713	20.42	803,050	82,607	10.29	26,063	53.50	67,047	81.16	635	1.30	110.13	0.23	27,992	79,783	1,391
2000-01	1614	304,196	50,203	16.50	1,263,898	106,277	8.41	47,257	94.13	104,246	98.09	339	0.68	11.58	0.023	45,937	94,962	2,916
2001-02	1,720	274,695	59,299	21.59	508,121	71,766	14.12	59,169	99.78	71,688	99.89	364	0.61	0.08	0.00	28,048	64,353	1,788
2002-03	2,403	365,403	82,305	22.52	621,569	87,895	14.14	82305	100.00	87,895	100.00	469	0.57	0.00	0.00	34,092	87,447	1,487
Apr-03	214	32,488	7,741	23.83	51,159	8,275	16.17	7,741	100.00	0	0.00	87	1.13	0.00	0.00	3,783	8,275	1,455
May-03	240	40,500	10,823	26.72	51,720	9,856	19.06	10,823	100.00	9,856	100.00	64	0.59	0.00	0.00	3,584	9,856	1,478
Jun-03	253	50,054	13,952	27.87	57,524	12,481	21.70	13,952	100.00	12,481	100.00	78	0.56	0.00	0.00	4,292	12,481	1,540
Jul-03	332	66,940	18,394	27.48	81,422	17,489	21.48	18,394	100.00	17,489	100.00	115	0.63	0.00	0.00	5,915	17,489	1,665
Aug-03	317	81,301	20,433	25.13	82,734	17,693	21.39	20,433	100.00	17,693	100.00	146	0.71	0.00	0.00	5,465	17,693	1,977
Sep-03	338	72,916	16,723	22.93	101,229	20,538	20.29	16,723	100.00	20,538	100.00	90	0.54	0.00	0.00	7,412	20,538	1,938
Oct-03	367	72,444	16,078	22.19	116,749	22,860	19.58	16,078	100.00	22,860	100.00	79	0.49	0.00	0.00	8,998	22,860	1,960
Nov-03	305	56,149	13,350	23.78	94,376	18,981	20.11	13,350	100.00	18,981	100.00	65	0.49	0.00	0.00	7,157	18,981	2,123
Dec-03	370	68,161	18,868	27.68	107,898	25,687	23.81	18,868	100.00	25,687	100.00	109	0.58	0.00	0.00	9,171	25,687	2,564
Jan-04	396	73,512	18,508	25.18	132,751	28,220	21.26	18,508	100.00	28,220	100.00	99	0.53	0.00	0.00	9,677	28,220	2,314
Feb-04	311	47,223	9,779	20.71	110,070	19,628	17.83	9,779	100.00	19,628	100.00	32	0.33	0.00	0.00	8,438	19,628	2,178
Mar-04	307	42,850	9,889	23.08	103,331	18,635	18.03	9,889	100.00	18,635	100.00	44	0.45	0.00	0.00	7,704	18,635	2,088
2003-04	3,751	704,539	174,538	24.77	1,090,963	220,341	20.20	174,538	100.00	220,341	100.00	1007	0.58	0.00	0.00	81,595	220,341	2,088
Apr-04	330	54,207	12,870	23.74	103,154	21,617	20.96	12,870	100.00	21,617	100.00	64	0.50	0.00	0.00	7,870	21,617	N.A.
May-04**	351	54,779	13,807	25.20	100,203	22,668	22.62	13,807	100.00	22,668	100.00	48	0.35	0.00	0.00	8,960	22,668	N.A.
Jun-04	320	39,284	8,549	21.76	81,020	13,948	17.22	8,549	100.00	13,948	100.00	29	0.34	0.00	0.00	5,862	13,948	N.A.
Jul-04	392	63779	13,987	21.93	97,309	18,099	18.60	13,987	100.00	18,099	100.00	51	0.37	0.00	0.00	6,523	18,099	N.A.
Aug-04	361	58,304	13,893	23.83	89,596	18,554	20.71	13,893	100.00	18,554	100.00	55	0.40	0.00	0.00	6,463	18,554	N.A.
Sep-04	345	57337	15,516	27.06	81,913	19,585	23.91	15,516	100.00	19,585	100.00	71	0.46	0.00	0.00	6,171	19,585	N.A.
Oct-04	318	51399	15,108	29.39	79,878	21,588	27.03	15,108	100.00	21,588	100.00	70	0.46	0.00	0.00	7,304	21,588	N.A.
Nov-04	319	59124	18,875	32.08	79,921	24,269	30.37	18,875	100.00	24,269	100.00	93	0.49	0.00	0.00	8,401	24,269	N.A.

*Balance at the end of period.

**The settlement statistics figures for the month of May 2004 have been revised as it includes data for settlement numbers N2004098, N2004099 and N2004100.

Source: NSE

Table 23: Derivative Segments at BSE

Month/ Year	No. of Trading Days	Index Futures		Stock Futures		Index Options				Stock Options				Total		Open Interest at the end of	
						Call		Put		Call		Put					
		No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Notional Turnover (Rs. Cr.)	No. of Contracts	Notional Turnover (Rs. Cr.)	No. of Contracts	Notional Turnover (Rs. Cr.)	No. of Contracts	Notional Turnover (Rs. Cr.)	No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Turnover (Rs. cr.)
Jun-00 to Mar-01	**207**	**77743**	**1673**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**77743**	**1673**	**NA**	**NA**
2001-02	**247**	**79552**	**1276**	**17951**	**452**	**1,139**	**39**	**1,276**	**45**	**3,605**	**79**	**1,500**	**35**	**105527**	**1922**	**NA**	**NA**
2002-03	**251**	**111,324**	**1,811**	**25,842**	**644**	**41**	**1**	**2**	**0.1**	**783**	**21**	**19**	**0.4**	**138,037**	**2,478**	**375**	**7**
Apr-03	20	4,221	65	979	21	0	0.0	0	0.0	73	2	7	0.1	5,280	87	141	2
May-03	21	542	8	427	10	1	0.3	0	0.0	140	3	45	1	1,155	23	115	4
Jun-03	21	35	1	265	6	0	0.0	0	0.0	123	3	0	0.0	423	9	32	1
Jul-03	23	2,747	51	1786	49	0	0.0	0	0.0	185	3	0	0.0	4,718	103	60	2
Aug-03	20	15,085	303	8546	206	0	0.0	0	0.0	3	0.1	0	0.0	23,634	509	103	3
Sep-03	22	18,850	408	15,355	441	0	0.0	0	0.0	60	1	9	0.3	34,274	1,261	215	7
Oct-03	23	17,704	420	12,939	435	0	0.0	0	0.0	25	3	0	0.0	30,668	1,280	39	1
Nov-03	20	18,137	450	13,185	478	0	0.0	0	0.0	5	0.2	10	1	31,337	929	240	11
Dec-03	22	65,345	1,785	41,274	1,844	0	0.0	0	0.0	311	20	615	35	107,545	3,684	1,370	70
Jan-04	21	73,551	2,213	28,374	1,498	0	0.0	0	0.0	903	37	745	38	103,573	3,787	606	19
Feb-04	19	19,086	555	1,647	79	0	0.0	0	0.0	865	49	614	47	22,212	730	106	5
Mar-04	22	11,140	314	3,416	103	0	0.0	0	0.0	1,698	53	1,185	35	17,439	50	35	1
2003-04	**254**	**246,443**	**6,572**	**128,193**	**5,171**	**1**	**0.0**	**0**	**0.0**	**4,391**	**174**	**3,230**	**157**	**382,258**	**12,452**	**35**	**1**
Apr-04	20	2,633	76	259	9	0	0.0	0	0.0	-	-	-	-	2,892	85	8	0.3
May-04	21	0	0	1,146	39	0	0.0	0	0.0	0	0.0	0	0.0	1,146	39	7	0.2
Jun-04	22	0	0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Jul-04	22	-	-	10	0.3	-	-	-	-	-	-	-	-	10	0.3	-	-
Aug-04	22	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sep-04	22	30,234	834	1,308	32	4,569	127	3,669	101	7	0.2	1	0.0	39,788	2,056	382	11
Oct-04	20	97,381	2,775	24	0.9	11,397	327	6,486	186	10	0.3	-	-	115,298	3,290	928	26
Nov-04	**20**	**140,680**	**4,193**	**621**	**20.2**	**11,635**	**348**	**4,521**	**134**	**-**	**-**	**1**	**0.03**	**157,458**	**4,695**	**1,050**	**33**

Note:

1. Notional Turnover = (Strike Price + Premium) * Quantity.

2. Index Futures, Index Options, Stock Options and Stock Futures were introduced in June 2000, June 2001, July 2001 and November 2001, respectively.

Source: BSE

Table 24: Derivative Segments at NSE

Month/ Year	No. of Trading Days	Index Futures		Stock Futures		Interest Rate Futures		Index Options				Stock Options				Total		Open Interest at the end of	
								Call		Put		Call		Put					
		No. of Con- tracts	Turn- over (Rs. cr.)	No. of Con- tracts	Turn- over (Rs. cr.)	No. of Con- tracts	Turn- over (Rs. cr.)	No. of Con- tracts	Notional Turn- over (Rs. cr.)	No. of Con- tracts	Notional Turn- over (Rs. cr.)	No. of Con- tracts	Notional Turn- over (Rs. cr.)	No. of Con- tracts	Notional Turn- over (Rs. cr.)	No. of Con- tracts	Turn- over (Rs. cr.)	No. of Con- tracts	Turn- over (Rs. cr.)
Jun-00 to Mar-01	**211**	**90,580**	**2,365**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**90,580**	**2,365**	**NA**	**NA**
2001-02	**247**	**1,025,588**	**21,482**	**1,957,856**	**51,516**	**NA**	**NA**	**113,974**	**2,466**	**61,926**	**1,300**	**768,159**	**18,780**	**269,370**	**6,383**	**4,196,873**	**101,925**	**93,917**	**2,150**
2002-03	**251**	**2126763**	**43,951**	**10675786.4**	**286,532**	**NA**	**NA**	**269721**	**5,671**	**172520**	**3,577**	**2456501**	**69,644**	**1066561**	**30,490**	**16767852**	**439,865**	**97025**	**2,194**
Apr-03	20	362,157	6,994	1,291,493	29,749	NA	NA	54,890	1,091	31,107	616	297,270	7,471	168,553	4,098	2,205,470	50,020	121,089	2,588
May-03	21	325,784	6,283	1,354,581	32,752	NA	NA	53,198	1,039	30,109	578	332,529	8,861	155,849	3,911	2,252,050	53,423	101,396	2,007
June-03	21	439,151	9,348	1,694,505	46,505	NA	NA	55,874	1,206	34,895	735	383,603	11,303	132,498	3,739	2,740,526	72,835	129,929	3,641
July-03	23	641,002	14,743	2,282,426	70,515	963	19	87,149	2,040	50,669	1,163	495,853	16,180	162,501	5,189	3,720,563	109,850	254,332	7,481
Aug-03	20	990,731	24,989	2,620,897	91,288	50	1	96,875	2,477	54,649	1,362	434,526	16,028	116,370	4,219	4,314,098	140,363	161,027	5,530
Sept-03	22	1,676,358	45,861	3,122,432	113,874	0	0.0	110,014	3,088	69,920	1,925	401,660	16,379	101,555	4,025	5,481,939	185,151	192,544	6,608
Oct-03	23	1,866,407	56,435	3,469,563	146,377	0	0.0	89,794	2,761	60,330	1,813	405,706	18,558	97,405	4,420	5,989,205	168,364	179,670	6,677
Nov-03	20	1,557,909	49,486	2,761,725	122,463	0	0.0	71,696	2,313	48,281	1,534	269,032	13,314	61,295	3,061	4,769,938	192,171	179,704	6,920
Dec-03	22	1,875,468	65,378	3,334,468	150,933	0	0.0	87,683	3,100	68,394	2,355	294,596	14,095	63,426	3,046	5,724,035	238,907	230,109	10,004
Jan-04	21	2,611,649	99,878	3,791,114	195,788	0	0.0	105,431	4,120	72,869	2,793	327,135	17,804	67,825	3,680	6,976,023	324,063	182,708	7,616
Feb-04	19	2,339,950	86,359	2,868,432	161,464	0	0.0	98,938	3,754	74,933	2,791	238,517	13,873	75,771	4,598	5,696,541	272,839	166,794	7,050
Mar-04	22	2,505,708	88,710	3,893,524	144,243	0	0.0	132,352	4,811	92,364	3,357	378,168	14,309	135,606	5,051	7,137,722	260,481	235,792	7,188
2003-04	**254**	**17,192,274**	**5,54,462**	**32,485,160**	**1,305,949**	**1,013**	**20**	**1,043,894**	**31,801**	**688,520**	**21,022**	**4,258,595**	**168,174**	**1,338,654**	**49,038**	**57,008,110**	**2,130,468**	**235,792**	**7,188**
Apr-04	20	2,164,528	79,560	3,829,403	121,048	0	0.0	115,378	4,347	80,733	2,968	292,628	9,640	85,998	2,736	6,568,668	220,299	249,845	7,668
May-04	21	2,551,985	82,149	3,322,799	92,628	0	0.0	196,198	6,824	100,430	3,469	246,630	7,717	63,156	1,976	6,481,198	194,763	179,487	4,696
June-04	22	2,152,644	64,017	3,125,283	78,392	0	0.0	158,784	4,914	117,041	3,559	193,687	5,339	75,380	2,084	5,822,819	158,306	201,871	5,367
July 04	22	1,971,231	61,125	3,492,774	94,009	0	0.0	189,179	6,059	124,352	3,856	262,755	7,614	94,222	2,682	6,134,513	175,345	206,709	5,964
Aug-04	22	1,803,263	57,926	3,577,911	99,591	0	0.0	127,779	4,192	98,618	3,193	284,013	8,499	86,919	2,604	5,978,503	176,006	261,185	7,332
Sep-04	22	1,463,682	49,500	3,768,178	107,123	0	0.0	124,547	4,282	93,808	3,164	365,187	10,763	116,304	3,547	5,931,706	178,380	446,299	13,353
Oct 04	20	1,320,173	47,191	3,660,047	111,695	0	0.0	138,099	5,030	97,628	3,500	357,625	11,684	93,342	3,124	5,666,914	182,224	321,545	9,845
Nov-04	**20**	**1,023,111**	**38,277**	**3,600,135**	**113,525**	**0**	**0.0**	**131,218**	**4,979**	**102,223**	**3,814**	**363,158**	**11,971**	**94,810**	**3,239**	**5,314,655**	**175,805**	**371,842**	**12,239**

Note :

Notional Value of Outstanding Contracts for FUTIDX - Open Interest * Close price of index future

Notional Value of Outstanding Contracts for FUTSTK - Open Interest * Close price of stock future

Notional Value of Outstanding Contracts for OPTIDX - Open Interest * Close price S&P CNX Nifty

Notional Value of Outstanding Contracts for OPTSTK - Open Interest * Close price of Underlying security

Notional Turnover = (Strike Price + Premium) * Quantity.

Index Futures, Index Options, Stock Options, Stock Futures and Interest Rate Futures were introduced in June 2000, June 2001, July 2001, November 2001and June 2003 respectively.

Source : NSE

Table 25: Derivatives Trading at BSE, November 2004

Date	Index Futures		Stock Futures		Index Options				Stock Options				Total		Open Interest at the end of	
					Calls		Puts		Calls		Puts					
	No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Notional Turnover (Rs. cr.)	No. of Contracts	Notional Turnover (Rs. cr.)	No. of Contracts	Notional Turnover (Rs. cr.)	No. of Contracts	Notional Turnover (Rs. cr.)	No. of Contracts	Turnover (Rs. cr.)	No. of Contracts	Turnover (Rs. cr.)
01-Nov-04	9,226	263	9	0.3	643	18	302	9	-	-	-	-	10,180	290.23	1,234	35
02-Nov-04	9,359	270	5	0.2	703	20	266	8	-	-	1	0.03	10,334	297.75	1,551	45
03-Nov-04	8,876	259	218	7.2	909	27	332	10	-	-	-	-	10,335	302.11	2,174	64
04-Nov-04	8,209	241	150	4.8	798	24	361	11	-	-	-	-	9,518	279.91	2,598	76
05-Nov-04	5,347	158	43	1.4	962	28	444	13	-	-	-	-	6,796	200.39	1,864	55
08-Nov-04	6,169	183	92	3.0	486	15	203	6	-	-	-	-	6,950	206.98	2,256	67
09-Nov-04	5,985	178	3	0.1	543	16	374	11	-	-	-	-	6,905	205.31	2,493	74
10-Nov-04	7,893	236	1	0.0	577	17	119	4	-	-	-	-	8,590	257.02	2,497	75
11-Nov-04	7,830	235	5	0.2	427	13	137	4	-	-	-	-	8,399	251.67	2,543	76
12-Nov-04	3,040	91	8	0.3	210	6	40	1	-	-	-	-	3,298	98.87	1,791	54
16-Nov-04	6,084	182	11	0.3	503	15	170	5	-	-	-	-	6,768	202.78	1,850	56
17-Nov-04	7,361	222	1	0.0	438	13	134	4	-	-	-	-	7,934	239.37	1,913	58
18-Nov-04	6,731	203	-	-	545	16	314	10	-	-	-	-	7,590	228.65	1,907	58
19-Nov-04	6,037	182	4	0.1	599	18	190	6	-	-	-	-	6,830	205.62	1,377	41
22-Nov-04	5,404	161	1	0.0	574	17	207	6	-	-	-	-	6,186	183.90	1,350	40
23-Nov-04	7,664	231	-	-	575	17	112	3	-	-	-	-	8,351	251.50	1,428	43
24-Nov-04	7,682	232	46	1.4	546	17	142	4	-	-	-	-	8,416	254.50	1,340	41
25-Nov-04	7,726	234	3	0.1	488	15	432	13	-	-	-	-	8,649	261.91	371	11
29-Nov-04	6,954	213	20	0.6	509	16	146	4	-	-	-	-	7,629	233.49	761	23
30-Nov-04	7,103	221	1	0.03	600	19	96	3	-	-	-	-	7,800	242.88	1,050	33
Nov-04	**140,680**	**4,193**	**621**	**20**	**11,635**	**348**	**4,521**	**134**	**-**	**-**	**1**	**0**	**157,458**	**4,695**	**1,050**	**33**

Source: BSE

Table 26: Derivatives Trading at NSE, November 2004

Date	Index Futures		Stock Futures		Interest Rate Futures		Index Options				Stock Options				Total Turnover		Open Interest at the end of	
							Calls		Puts		Calls		Puts					
	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)	No. of Contracts	Turnover (Rs. Crs.)
01-Nov-04	42,224	1,507	128,679	3,923	0	0	5,307	194	3,293	118	12,511	406	3,324	109	195,338	6,257	338,422	10,458
02-Nov-04	47,067	1,700	134,603	4,168	0	0	6,373	235	5,280	190	13,828	441	3,342	107	210,493	6,841	346,032	10,762
03-Nov-04	67,152	2,444	176,472	5,699	0	0	9,477	352	8,088	294	17,761	599	4,761	167	283,711	9,556	351,719	11,041
04-Nov-04	47,085	1,725	152,574	4,681	0	0	6,017	225	6,583	241	13,638	443	3,716	127	229,613	7,442	364,370	11,393
05-Nov-04	47,598	1,756	171,294	5,034	0	0	4,577	171	3,824	140	20,385	602	4,861	144	252,539	7,848	382,554	11,983
08-Nov-04	39,653	1,472	162,746	5,083	0	0	5,150	194	4,393	162	20,355	643	4,775	156	237,072	7,709	393,029	12,358
09-Nov-04	42,396	1,573	142,781	4,593	0	0	4,171	157	2,919	107	14,403	485	3,942	139	210,612	7,055	401,754	12,633
10-Nov-04	38,330	1,433	136,513	4,417	0	0	5,506	208	4,375	162	15,115	511	4,291	151	204,130	6,882	412,701	13,124
11-Nov-04	33,151	1,241	123,025	3,853	0	0	5,538	210	3,630	136	12,862	429	3,323	114	181,529	5,983	420,678	13,360
12-Nov-04	17,588	660	42,907	1,355	0	0	1,461	55	1,528	57	4,147	137	1,440	52	69,071	2,317	423,073	13,451
16-Nov-04	44,680	1,670	144,773	4,462	0	0	5,815	220	3,950	147	16,092	523	4,802	160	220,112	7,181	425,763	13,600
17-Nov-04	37,119	1,396	163,280	5,136	0	0	10,370	394	6,954	259	19,093	627	5,183	172	241,999	7,985	435,953	14,030
18-Nov-04	48,060	1,811	184,050	6,080	0	0	7,297	279	4,375	165	23,200	819	5,903	225	272,885	9,378	446,828	14,504
19-Nov-04	62,463	2,349	222,899	7,287	0	0	5,819	221	4,959	186	22,699	781	6,762	238	325,601	11,062	445,104	14,245
22-Nov-04	68,807	2,565	223,625	7,046	0	0	7,652	289	6,476	243	20,427	668	6,387	217	333,374	11,027	452,511	14,527
23-Nov-04	84,373	3,191	270,886	8,583	0	0	8,446	323	7,169	270	23,027	771	5,783	212	399,684	13,350	463,006	15,031
24-Nov-04	70,026	2,662	251,527	7,769	0	0	7,937	304	4,451	169	23,729	769	5,046	171	362,716	11,844	475,426	15,565
25-Nov-04	81,468	3,101	334,134	10,572	0	0	9,815	377	5,653	216	28,307	936	7,175	244	466,552	15,446	500,529	16,318
29-Nov-04	47,781	1,834	200,506	6,332	0	0	5,685	222	6,562	251	20,379	675	5,307	173	286,220	9,488	355,220	11,569
30-Nov-04	56,090	2,188	232,861	7,452	0	0	8,805	349	7,761	301	21,200	705	4,687	160	331,404	11,154	371,842	12,239
Nov-04	**1,023,111**	**38,277**	**3,600,135**	**113,525**	**0**	**0**	**131,218**	**4,979**	**102,223**	**3,814**	**363,158**	**11,971**	**94,810**	**3,239**	**5,314,655**	**175,805**	**371,842**	**12,239**

Note:

Notional Value of Outstanding Contracts for FUTIDX - Open Interest * Close price of index future

Notional Value of Outstanding Contracts for FUTSTK - Open Interest * Close price of stock future

Notional Value of Outstanding Contracts for OPTIDX - Open Interest * Close price S&P CNX Nifty

Notional Value of Outstanding Contracts for OPTSTK - Open Interest * Close price of Underlying security

Notional Turnover = (Strike Price + Premium) * Quantity.

Index Futures, Index Options, Stock Options and Stock Futures were introduced in June 2000, June 2001, July 2001 and November 2001, respectively.

Source: NSE

Table 27: Settlement Statistics in Derivatives Segment in BSE and NSE

(Rs. crore)

Month/ Year	BSE						NSE					
	Index/Stock Futures		Index/Stock Options		Total	Settlement Guarantee Fund*	Index/Stock Futures		Index/Stock Options		Total	Settlement Guarantee Fund**
	MTM Settlement	Final Settlement	Premium Settlement	Exercise Settlement			MTM Settlement	Final Settlement	Premium Settlement	Exercise Settlement		
Jun-00 to Mar-01	**50.5**	**1.1**	**NA**	**NA**	**52**	**66**	**84**	**2**	**NA**	**NA**	**86**	**NA**
2001-02	**25.8**	**1.5**	**5.1**	**2.6**	**35**	**49**	**505**	**22**	**165**	**94**	**786**	**648**
2002-03	**12.2**	**0.6**	**0.3**	**0.0**	**13**	**49**	**1,738**	**46**	**331**	**196**	**2,311**	**1,300**
Apr-03	1.9	0.0	0.0	0.0	2	49	206	5	46	30	287	1,309
May-03	0.5	0.1	0.1	0.0	1	49	164	6	38	30	238	1,404
Jun-03	0.9	0.0	0.0	0.0	1	46	220	4	49	46	319	1,640
Jul-03	0.5	0.0	0.1	0.0	1	47	390	8	69	45	512	1,970
Aug-03	2.3	0.1	0.0	0.0	2	47	570	9	77	59	714	2,340
Sep-03	2.2	0.0	0.1	0.0	2	48	1,032	9	8	30	1,150	2,751
Oct-03	4.6	0.0	0.0	0.0	5	49	1,188	14	99	60	1,362	3,359
Nov-03	2.2	0.0	0.0	0.0	2	50	939	24	63	22	1,049	3,710
Dec-03	8.3	0.2	0.7	0.0	9	50	905	18	70	41	1,034	4,572
Jan-04	23.1	0.4	1.6	0.0	25	76	2,668	13	107	43	2,831	5,177
Feb-04	4.5	0.1	1.8	0.0	6	66	1,330	16	68	24	1,439	4,891
Mar-04	2.3	0.0	3.6	0.0	6	53	1,210	14	93	45	1,362	4,424
2003-04	**53.3**	**1.0**	**8.2**	**0.2**	**63**	**53**	**10,822**	**139**	**859**	**476**	**12,296**	**4,424**
Apr-04	0.3	0.0	0.0	0.0	0.3	51	837	16	65	25	943	N.A.
May-04	0.7	0.0	0.0	0.0	1	49	2,556	13	91	36	2,697	N.A.
June-04	0.1	0.0	0.0	0.0	0.1	46	535	20	47	10	612	N.A.
July-04	0.0	0.0	0.0	0.0	0.0	45	451	15	72	43	581	N.A.
Aug-04	-	-	-	-	-	45	548	9	51	15	622	N.A.
Sep-04	1.5	0.1	1.5	0.2	3	57	480	13	56	40	589	N.A.
Oct-04	2	0.2	23	0.4	26	63	838	23	69	31	961	N.A.
Nov-04	**4**	**0.1**	**31**	**0.8**	**35**	**64**	**691**	**10**	**77**	**42**	**820**	**N.A.**

*Balance at the end of the period

**Includes members collateral

Source: BSE, NSE

Table 28: Trends in FII Investment

Period	Gross Purchases (Rs. cr.)	Gross Sales (Rs. cr.)	Net Investment (Rs. cr.)	Net Investment** (US $ mn.)	Cumulative Net Investment** (US $ mn.)
1993-94	**5,593**	**466**	**5,126**	**1,634**	**1,638**
1994-95	**7,631**	**2,835**	**4,796**	**1,528**	**3,167**
1995-96	**9,694**	**2,752**	**6,942**	**2,036**	**5,202**
1996-97	**15,554**	**6,979**	**8,575**	**2,432**	**7,634**
1997-98	**18,695**	**12,737**	**5,958**	**1,649**	**9,284**
1998-99	**16,115**	**17,699**	**-1,584**	**-386**	**8,898**
1999-2000	**56,856**	**46,734**	**10,122**	**2,339**	**11,237**
2000-01	**74,051**	**64,116**	**9,934**	**2,160**	**13,396**
2001-02	**49,920**	**41,165**	**8,755**	**1,846**	**15,242**
2002-03	**47,060**	**44,371**	**2,689**	**562**	**15,804**
Apr-03	5,878	4,886	993	208	16,012
May-03	7,386	4,325	3,061	645	16,449
Jun-03	7,835	4,373	3,462	734	16,746
Jul-03	8,550	6,389	2,161	462	17,854
Aug-03	8,848	6,621	2,228	480	18,335
Sep-03	12,271	8,095	4,176	907	19,242
Oct-03	15,212	8,490	6,723	1,466	20,708
Nov-03	11,124	7,530	3,594	788	21,496
Dec-03	14,916	8,534	6,382	1,404	22,900
Jan-04	17,652	13,783	3,869	850	23,749
Feb-04	15,962	13,289	2,674	587	24,336
Mar-04	19,224	12,780	6,444	1,418	25,754
2003-04	**144,858**	**99,094**	**45,765**	**9,949**	**25,754**
Apr-04	19,692	12,972	6,720	1,483	27,237
May-04	15,655	19,201	-3,546	-806	26,431
Jun-04	10,894	11,168	-274	-57	26,374
Jul-04	11,247	10,534	713	157	26,531
Aug-04	12,856	10,335	2,521	550	27,080
Sep-04	13,097	10,522	2,575	556	27,637
Oct-04	16,063	14,035	2,028	439	28,075
Nov-04	**21,302**	**13,117**	**8,185**	**1,783**	**29,858**

** Net Investment in US $ mn. at monthly exchange rate.

Table 29: Daily Trends in Foreign Institutional Investment,November 2004

Days	Equity				Debt				Total			
	Gross Purchase (Rs. cr.)	Gross Sales (Rs. cr.)	Net Investment (Rs. cr.)	Net Investment (US $ mn.)	Gross Purchase (Rs. cr.)	Gross Sales (Rs. cr.)	Net Investment (Rs. cr.)	Net Investment (US $ mn.)	Gross Purchase (Rs. cr.)	Gross Sales (Rs. cr.)	Net Investment (Rs. cr.)	Net Investment (US $ mn.)
01-Nov-04	1737	542	1195	259	133.4	30	103	22	1,871	572	1,299	
02-Nov-04	523	391	132	29	74.1	0.0	74.1	16.1	597	391	206	45
03-Nov-04	520	499	21	5	0.0	0.0	0.0	0.0	520	499	21	5
04-Nov-04	678	607	71	15	534.4	149.4	385	84	1,213	757	456	99
05-Nov-04	765	434	331	72	313	0	313	68	1,077	434	643	140
08-Nov-04	1606	1021	585	127	43.9	74.1	-30.20	-6.60	1,650	1,095	555	120
09-Nov-04	1128	833	295	64	73.0	0.0	73.0	15.8	1,201	833	368	80
10-Nov-04	1050	778	272	59	44.4	269.9	-225.40	-49.20	1,095	1,048	47	10
11-Nov-04	792	625	167	37	99.5	0.7	99	22	892	626	266	58
12-Nov-04	574	357	217	47	74.3	7.5	67	15	649	365	284	62
16-Nov-04	65	178	-112.60	-24.60	0.0	0.0	0.0	0.0	65	178	-113	-25
17-Nov-04	1018	661	358	78	19.8	87.5	-67.80	-14.80	1,038	748	290	63
18-Nov-04	874	604	270	59	102.3	0	102	22	976	604	372	81
19-Nov-04	837	621	216	47	573.6	0	574	125	1,410	621	790	173
22-Nov-04	975	458	517	113	139.2	92	47	10	1,114	550	565	123
23-Nov-04	778	441	336	74	61.2	129.9	-68.70	-15	839	571	268	59
24-Nov-04	1003	440	563	123	161.6	308.3	-146.70	-32	1,164	748	416	91
25-Nov-04	881	602	279	61	98.6	181	-82.40	-18	980	783	197	43
29-Nov-04	1174	645	530	116	232.5	0	233	51	1,407	645	762	167
30-Nov-04	1360	862	498	109	183.8	187.2	-3.40	-.70	1,544	1,049	495	108
Total	**18340**	**11600**	**6741**	**1469**	**2962**	**1518**	**1445**	**314**	**21,302**	**13,117**	**8,185**	**1,783**

Table 30: Trends in Mutual Funds Resource Mobilisation

(Rs. crore)

Period	Gross Mobilisation				Redemption*				Net Inflow				Assets at
	Pvt. Sec.	Public Sector	UTI	Total	Pvt. Sec.	Public Sector	UTI	Total	Pvt. Sec.	Public Sector	UTI	Total	the end of
1993-94	**1,549**	**9,527**	**51,000**	**62,076**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1994-95	**2,084**	**2,143**	**9,500**	**13,727**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1995-96	**312**	**296**	**5,900**	**6,508**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1996-97	**346**	**151**	**4,280**	**4,777**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1997-98	**1,974**	**332**	**9,100**	**11,406**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1998-99	**7,847**	**1,671**	**13,193**	**22,711**	**6,394**	**1,336**	**15,930**	**23,660**	**1,453**	**335**	**-2,738**	**-950**	**68,193**
1999-2000	**43,726**	**3,817**	**13,698**	**61,241**	**28,559**	**4,562**	**9,150**	**42,271**	**15,166**	**-745**	**4,548**	**18,970**	**107,946**
2000-01	**75,009**	**5,535**	**12,413**	**92,957**	**65,160**	**6,580**	**12,090**	**83,829**	**9,850**	**-1,045**	**323**	**9,128**	**90,587**
2001-02	**147,798**	**12,082**	**4,643**	**164,523**	**134,748**	**10,673**	**11,927**	**157,348**	**13,050**	**1,409**	**-7,284**	**7,175**	**100,594**
2002-03	**284,095**	**23,515**	**7,096**	**314,706**	**272,026**	**21,954**	**16,530**	**310,510**	**12,069**	**1,561**	**-9,434**	**4,196**	**109,299**
Apr-03	37,931	3,260	795	41,985	29,903	2,285	744	32,932	8,028	975	51	9,054	89,238
May-03	31,080	3,049	878	35,007	24,788	2,626	810	28,224	6,293	422	68	6,783	97,726
Jun-03	42,058	-180#	2,192	44,071	37,886	466	1,533	39,884	4,173	-645	659	4,186	104,762
Jul-03	38,989	2,214	2,158	43,361	32,885	1,513	1,483	35,881	6,103	701	675	7,480	112,574
Aug-03	42,555	2,271	668	45,494	36,830	2,299	1,300	40,429	5,725	-28	-633	5,065	121,040
Sep-03	47,270	3,015	1,134	51,420	46,610	2,734	1,318	50,661	660	282	-183	759	121,778
Oct-03	48,900	2,690	787	52,377	45,952	2,723	1,065	49,739	2,948	-33	-278	2,638	126,726
Nov-03	40,495	2,539	1,341	44,375	36,042	2,025	1,431	39,498	4,453	514	-90	4,877	132,366
Dec-03	58,946	2,653	2,683	64,282	53,621	2,422	2,766	58,808	5,325	232	-83	5,474	140,095
Jan-04	46,432	3,566	4,066	54,063	42,294	2,791	3,086	48,172	4,137	775	980	5,891	145,372
Feb-04	39,362	4,235	1,842	45,439	38,581	2,492	1,366	42,438	781	1,743	476	3,001	145,657
Mar-04	60,631	2,235	5,450	68,316	66,713	4,577	5,426	76,716	-6,082	-2,342	24	-8,400	139,616
2003-04	**534,649**	**31,548**	**23,992**	**590,190**	**492,105**	**28,951**	**22,326**	**543,381**	**42,545**	**2,597**	**1,667**	**46,808**	**139,616**
April 2004 *	63,753	11,193	4,206	79,152	50,403	10,194	4,586	60,597	13,350	999	-380	14,349	153,214
May-04	55,356	-3,227	3,341	55,469	50,793	-3,178	2,476	50,091	4,562	-49	865	5,378	154,018
Jun-04	62,776	3,973	4,090	70,840	60,327	3,922	4,792	69,041	2,450	51	-702	1,799	155,875
Jul-04	57,961	5,005	6,669	69,635	58,783	4,657	6,458	69,898	-822	348	211	-263	157,747
Aug-04	64,060	30,240	3,090	97,390	65,527	36,481	4,629	106,638	-1,468	-6,241	-1,540	-9,249	155,686
Sep-04@	68,359	-19,949	2,923	51,334	72,353	-25,448	3,526	50,430	-3,993	5,500	-603	904	153,108
Oct-04	52,074	3,441	2,769	58,284	54,949	4,280	2,772	62,000	-2,875	-839	-3	-3,716	147,995
Nov-04	**47,229**	**3,786**	**2,376**	**53,391**	**48,473**	**4,118**	**2,882**	**55,472**	**-1,244**	**-332**	**-506**	**-2,082**	**149,581**

P: provisional

@ Revised figures

* Includes repurchases as well as redemption

IDBI- Principal MF (earlier a public sector mutual fund) has now become Principal MF (a private sector mutual fund).

Notes : 1. Erstwhile UTI has been divided into UTI Mutual Fund (registered with SEBI) and the Specified Undertaking of UTI (not registered with SEBI). Above data contains information only of UTI Mutual Fund.

2. Net assets pertaining to Funds of Funds Schemes is not included in the above data.

3. Data in respect of UTI-I included upto January 2003.

Table 31A: Scheme-Wise Resource Mobilisation by Mutual Funds

(Rs. cr.)

Scheme	2002-03			2003-04			Net Assets as on November 30, 2004
	Sale	Purchase	Net	Sale	Purchase	Net	
Open-ended	31316	27674	3642	587480	541447	46033	142,872
Close-ended	55	101	-46	2710	1935	775	6,709
Total	**31,371**	**27,775**	**3,596**	**590,190**	**543,381**	**46,808**	**149,581**

Table 31B: Scheme-Wise Resource Mobilisation by Mutual Funds

(Rs. cr.)

Scheme	2002-03			2003-04			April-04 - November-04		
	Sale	Purchase	Net	Sale	Purchase	Net	Sale	Purchase	Net
A. Income/Debt Oriented Schemes (i+ii+iii+iv)	309,672	303,892	5,781	560,972	521,369	39,603	516,050	510,958	5,092
i. Liquid/Money Market	195,047	190,042	5,005	375,646	351,069	24,577	418,603	400,832	17,771
ii. Gilt	5,202	5,892	-690	12,387	10,155	2,232	2,998	3,816	-818
iii. Debt (other than assure return)	109,423	100,872	8,551	172,940	160,134	12,805	94,449	106,310	-11,861
iv. Debt (assured return)	0	7,085	-7,085	0	10	-10	0	0	0
B. Growth/Equity Oriented Schemes (i+ii)	4,640	4,596	43	26,695	19,477	7,218	17,458	15,852	1,606
i. ELSS	22	679	-657	53	519	-466	38	231	-193
ii. Others	4,618	3,917	701	26,642	18,957	7,685	17,420	15,621	1,799
C. Balanced Schemes	394	2,022	-1,628	2,523	2,536	-13	1,986	1,943	43
Total (A+B+C)	**314,706**	**310,510**	**4,196**	**590,190**	**543,381**	**46,808**	**535,494**	**528,754**	**6,740**

1. Erstwhile UTI has been divided into UTI Mutual Fund (registered with SEBI) and the Specified Undertaking of UTI (not registered with SEBI). Above data contains information only of UTI Mutual Fund.

2. Net assets of Rs. 7360.6 million pertaining to Funds of Funds Schemes for Apr'04 is not included in the above data.

3. Net assets of Rs. 8005.2 million pertaining to Funds of Funds Schemes (for Apr - Jul'04) is not included in the above data.

4. Data in respect of UTI-I included upto January 2003.

Table 32: Trends in Transactions on Stock Exchanges by Mutual Funds

(Rs. crore)

Period	Equity			Debt			Total		
	Gross Purchase	Gross Sales	Net Purchase/Sales	Gross Purchase	Gross Sales	Net Purchase/Sales	Gross Purchase	Gross Sales	Net Purchase/Sales
2000-01	**17376**	**20143**	**-2767**	**13512**	**8489**	**5023**	**30888**	**28631**	**2257**
2001-02	**12,098**	**15,894**	**-3,796**	**33,557**	**22,594**	**10,963**	**45,655**	**38,488**	**7,167**
2002-03	**14,521**	**16,588**	**-2,067**	**46,664**	**34,059**	**12,604**	**61,185**	**50,647**	**10,538**
Apr-03	1,333	1,511	-177	4,019	2,268	1,752	5,352	3,778	1,574
May-03	2,218	2,142	76	5,495	2,841	2,654	7,713	4,983	2,730
Jun-03	1,998	2,193	-196	5,051	2,810	2,241	7,049	5,003	2,046
Jul-03	2,642	2,571	71	6,485	3,347	3,139	9,128	5,918	3,210
Aug-03	3,149	2,745	403	6,560	3,884	2,676	9,708	6,629	3,079
Sep-03	2,813	3,103	-290	5,897	4,217	1,680	8,709	7,320	1,390
Oct-03	3,362	3,557	-195	4,845	3,366	1,479	8,207	6,923	1,284
Nov-03	2,917	2,727	191	4,376	2,338	2,038	7,293	5,065	2,228
Dec-03	4,647	3,795	852	5,404	3,674	1,731	10,052	7,469	2,583
Jan-04	5,098	4,160	938	5,565	3,832	1,733	10,664	7,993	2,671
Feb-04	2,606	3,140	-534	3,184	3,513	-329	5,790	6,653	-862
Mar-04	3,988	3,811	176	6,289	4,381	1,908	10,277	8,191	2,084
2003-04	**36,664**	**35,356**	**1,308**	**63,170**	**40,469**	**22,701**	**99,834**	**75,825**	**24,009**
Apr-04	3,675	3,895	-219	6,100	3,654	2,446	9,775	7,549	2,227
May-04	4,857	3,852	1,005	4,312	3,684	627	9,169	7,536	1,632
June-04	2,130	2,390	-260	4,067	5,338	-1,272	6,197	7,728	-1,531
July-04	2,679	3,149	-470	4,357	4,006	350	7,036	7,156	-120
Aug-04	2,822	2,920	-98	4,583	3,228	1,355	7,405	6,148	1,257
Sep-04	3,530	3,759	-229	4,621	3,412	1,209	8,151	7,171	980
Oct-04	2,861	3,283	-422	2,355	2,819	-464	5,216	6,102	-886
Nov-04	**3589**	**4285**	**-695**	**3709**	**2527**	**1182**	**7299**	**6812**	**487**

Table 33: Substantial Acquisition of Shares and Takeovers

(Rs. crore)

Year	Open Offers								Automatic Exemption	
	Objectives						Total		Number	Amount
	Change in Control of Management		Consolidation of Holdings		Substantial Acquisition					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount		
1997-98	**17**	**143**	**10**	**340**	**13**	**96**	**40**	**578**	**93**	**3,502**
1998-99	**29**	**100**	**25**	**587**	**12**	**327**	**66**	**1,014**	**201**	**1,888**
1999-2000	**43**	**260**	**9**	**71**	**23**	**130**	**75**	**461**	**252**	**4,677**
2000-01	**70**	**1,140**	**5**	**189**	**2**	**42**	**77**	**1,372**	**248**	**4,873**
2001-02	**54**	**1,756**	**26**	**1,815**	**1**	**39**	**81**	**3,610**	**276**	**2,539**
2002-03	**46**	**3,814**	**40**	**2,573**	**2**	**1**	**88**	**6,389**	**238**	**2,428**
Apr-03	1	1	1	54	2	23	4	77	37	315
May-03	2	18	1	2	2	965	5	985	14	98
Jun-03	5	1	2	0	0	0.0	7	1	17	16
Jul-03	3	0.2	2	7	0	0.0	5	7	13	4
Aug-03	2	16	2	1	2	0.3	6	17	6	3
Sep-03	5	266	1	9	3	5	9	279	12	62
Nov-03	3	2	1	92	1	2	5	97	12	376
Dec-03	3	1	0	0	0	0	3	1	13	56
Jan-04	2	3	3	14	1	8	6	25	11	86
Feb-04	5	2	1	1	0	0.0	6	2	4	30
Mar-04	4	6	1	0	0	0.0	5	7	16	264
2003-04	**38**	**395**	**16**	**197**	**11**	**1,003**	**65**	**1,595**	**171**	**1,436**
Apr-04	2	14	1	1	1	0.4	4	15	52	3,600
May-04	3	28	1	0	1	0.1	5	28	15	54
June-04	1	0.1	2	63	1	0.3	4	63	13	237
July-04	4	3	1	1	2	437	7	440	4	24
Aug-04	3	376.57	1	20.6	3	83	7	480	12	14
Sep-04	1	0.04	0	0.0	0	0.0	1	0.04	19	25
Oct-04	1	0.18	0	0.0	1	117	2	118	15	2115
Nov-04	**1**	**5**	**1**	**18**	**1**	**0.09**	**3**	**23**	**13**	**195**

Table 34: Progress of Dematerialisation at NSDL and CDSL

At the end of the period	NSDL						CDSL					
	Cos-Agreement Signed	Cos-Live	DPs-Live	DPs-Locations	Mkt. Cap. (Rs. cr.)*	Demat Quantity (million shares)	Cos-Agreement Signed	Cos-Live	DPs-Live	DPs-Locations	Mkt. Cap. (Rs. cr.)#	Demat Quantity (million shares)
1996-97	**40**	**23**	**24**	**24**	**90,818**	**22**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1997-98	**191**	**171**	**49**	**200**	**288,347**	**1,763**	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**
1998-99	**375**	**365**	**84**	**750**	**396,551**	**7,109**	**15**	**15**	**NA**	**NA**	**NA**	**NA**
1999-2000	**918**	**821**	**124**	**1,425**	**765,875**	**15,501**	**541**	**541**	**NA**	**NA**	**NA**	**NA**
2000-01	**2,821**	**2,786**	**186**	**1,896**	**555,376**	**37,208**	**2,723**	**2,703**	**137**	**132**	**10,906**	**1,920**
2001-02	**4,210**	**4,172**	**212**	**1,648**	**615,001**	**51,673**	**4,293**	**4,284**	**148**	**181**	**24,337**	**4,820**
2002-03	**4,803**	**4,761**	**213**	**1,718**	**600,539**	**68,757**	**4,628**	**4,628**	**177**	**212**	**36,164**	**8,210**
Apr-03	4,839	4,806	213	1,718	602,320	69,244	4,637	4,637	179	215	36,971	8,270
May-03	4,888	4,854	213	1,719	695,701	68,870	4,663	4,663	183	217	51,028	8,790
Jun-03	4,918	4,888	211	1,717	750,314	68,692	4,675	4,675	185	221	58,957	9,980
Jul-03	4,958	4,925	212	1,718	815,849	70,196	4,688	4,688	187	224	61,094	10,640
Aug-03	4,971	4,937	212	1,718	929,460	71,993	4,696	4,696	192	226	68,185	10,980
Sep-03	5,030	4,993	212	1,718	970,500	73,480	4,714	4,717	194	227	73,109	11,140
Oct-03	5,062	5,015	212	1,718	1,033,900	75,498	4,730	4,730	192	229	75,891	11,310
Nov-03	5,097	5,061	213	1,718	1,011,300	76,599	4,745	4,745	192	228	78,960	11,820
Dec-03	5,107	5,076	214	1,719	1,328,900	77,749	4,765	4,765	194	230	96,288	12,110
Jan-04	5,149	5,118	214	1,719	1,245,500	78,261	4,776	4,776	196	230	95,494	12,250
Feb-04	5,212	5,177	214	1,719	1,235,400	79,486	4,784	4,784	196	233	107,278	13,690
Mar-04	5,216	5,212	214	1,719	1,107,084	83,694	4,810	4,810	200	219	106,443	14,010
2003-04	**5,216**	**5,212**	**214**	**1,719**	**1,107,084**	**83,694**	**4,810**	**4,810**	**200**	**219**	**106,443**	**14,010**
Apr-04	5,260	5,254	215	1,719	1,291,400	84,625	4,824	4,824	200	219	98,739	14,010
May-04	5,315	5,311	216	1,721	1,056,757	86,720	4,837	4,837	204	227	103,338	14,280
Jun-04	5,348	5,344	217	1,722	1,089,500	88,595	4,861	4,861	212	1116	84,359	14,570
Jul-04	5,386	5,382	217	1,722	1,173,300	89,770	4,882	4,882	477	1,146	90,883@	14,540
Aug-04	5,408	5,402	217	1,722	1,253,996	91,475	4,892	4,892	484	1,178	94,955@	14,820
Sep-04	5,441	5,440	216	1,720	1,346,000	92,513	4,912	4,912	490	1,212	100,999@	15,110
Oct-04	5,479	5,477	216	1,720	1,374,507	101,510	4,935	4,935	503	1,261	105,404	15,320
Nov-04	**5,500**	**5,499**	**216**	**1,720**	**1,506,100**	**103,130**	**4,956**	**4,956**	**506**	**1,262**	**112,717**	**15,420**

@ Revised Figures

* Market capitalisation of companies that have joined NSDL (inclusive of both physical and dematerialised shares)

Market capitalisation of securities in CDSL

Source: NSDL and CDSL

Table 35: Receipt and Redressal of Investor Grievances

Year	Grievances Received		Grievances Redressed		Cumulative Redressal Rate (%)
	During the period	Cumulative	During the period	Cumulative	
1991-92	18,794	18,794	4,061	4,061	21.61
1992-93	1,10,317	1,29,111	22,946	27,007	20.92
1993-94	5,84,662	7,13,773	3,39,517	3,66,524	51.35
1994-95	5,16,080	12,29,853	3,51,842	7,18,366	58.41
1995-96	3,76,478	16,06,331	3,15,652	10,34,018	64.37
1996-97	2,17,394	18,23,725	4,31,865	14,65,883	80.38
1997-98	5,11,507	23,35,232	6,76,555	21,42,438	91.74
1998-99	99,132	24,34,364	1,27,227	22,69,665	93.24
1999-2000	98,605	25,32,969	1,46,553	24,16,218	95.39
2000-01	96,913	26,29,882	85,583	25,01,801	95.13
2001-02	81,600	27,11,482	70,328	25,72,129	94.86
2002-03	37,434	27,48,916	38,972	26,11,101	94.99
Upto Apr-03	2,524	27,51,440	2,006	26,13,107	94.97
Upto May-03	4,750	2,753,666	4,037	2,615,138	94.97
Upto Jun-03	7,230	2,756,146	5,849	2,616,950	94.95
Upto Jul-03	9,833	27,58,749	7,770	26,18,871	94.93
Upto Aug-03	13,117	2,762,033	9,577	2,620,678	94.88
Upto Sep-03	16,254	2,765,170	11,684	2,622,785	94.85
Upto Oct-03	18,832	2,767,748	12,454	2,623,555	94.79
Upto Nov-03	21,438	2,770,354	13,838	2,624,939	94.75
Upto Dec-03	24,575	2,773,491	15,602	2,626,703	94.71
Upto Jan-04	29,103	2,778,019	17,323	2,628,424	94.62
Upto Feb-04	33,122	2,782,038	19,135	2,630,236	94.54
Upto Mar-04	36,744	2,785,660	21,531	2,632,632	94.51
2003-04	**36,744**	**2,785,660**	**21,531**	**2,632,632**	**94.51**
Upto Apr-04	3,287	2,788,947	1,589	2,634,221	94.45
Upto May-04	8,541	2,757,457	3,701	2,614,802	94.35
Upto June-04	14,061	2,762,977	11,013	2,622,114	94.43
Upto July-04	18,321	28,03,981	14,221	26,46,853	94.43
Upto Aug-04	25,782	2,811,442	20,587	2,653,219	94.37
Upto Sep-04	29,766	28,15,426	27,701	26,60,333	94.49
Upto Oct-04	33,918	28,19,578	31,643	26,64,275	94.49
Upto Nov-04	**38,077**	**28,23,737**	**38,386**	**26,71,018**	**94.59**

Table 36 : Assets under the Custody of Custodians

(Rs. crore)

Client / At the end of	FII/SA		FI		Mutual Fund		NRIs		OCBs		Brokers		Corporates		Banks		Foreign Depositories		Others		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2001-02	**1,354**	**61,753**	**26**	**110,824**	**458**	**32,570**	**1,820**	**185**	**178**	**1,285**	**4**	**0**	**565**	**13,311**	**14**	**17,798**	**32**	**17,297**	**26,780**	**15,243**	**31,231**	**270,267**
2002-03	**1,313**	**56,139**	**33**	**113,154**	**496**	**41,368**	**1,930**	**263**	**141**	**1,136**	**3**	**0**	**540**	**13,498**	**12**	**20,814**	**33**	**15,890**	**28,051**	**16,593**	**32,552**	**278,855**
Apr-2003	1,333	54,423	33	109,885	499	41,664	1,918	240	139	1,224	3	0	532	13,502	12	20,231	33	15,662	28,049	17,120	32,551	273,951
May-2003	1,549	73,319	49	114,873	600	63,455	1,928	214	119	1,894	1	25	556	17,361	12	29,404	29	3,762	28,182	17,930	33,025	322,236
Jun-2003	1,344	71,787	30	121,676	488	52,279	1,946	303	135	1,820	4	31	543	16,671	12	20,494	35	19,290	28,102	19,636	32,639	323,985
Jul-2003	1,347	76,418	30	124,180	486	51,263	1,950	301	136	2,109	5	30	560	34,137	11	20,495	35	20,328	28,211	20,125	32,771	349,386
Aug-2003	1,364	89,040	31	132,982	498	57,386	1,958	354	132	2,430	5	5	566	18,745	11	21,246	32	22,302	28,286	21,964	32,888	366,457
Sep-03	1,376	98,506	31	138,794	498	59,928	1,968	343	135	2,701	5	13	576	17,884	14	17,770	33	24,752	28,469	23,496	33,105	384,187
Oct-03	1,382	115,170	34	143,677	508	63,384	1,984	561	134	3,258	4	0	588	14,109	11	17,859	34	26,876	28,538	23,781	33,216	414,938
Nov-03	1,404	122,819	35	152,729	515	66,699	2,007	451	134	4,553	4	0	594	18,072	11	17,652	34	29,704	28,607	23,932	33,345	436,612
Dec-03	1,417	148,011	37	152,003	518	88,112	2,004	596	133	1,477	4	0	589	20,938	11	17,405	33	34,822	27,839	27,894	32,585	491,258
Jan-04	1,441	149,732	39	149,124	536	91,546	2,030	536	133	1,454	4	0	596	21,128	12	21,750	36	33,562	27,572	29,242	32,399	498,076
Feb-04	1,469	149,784	36	145,994	355	69,231	2,074	558	120	1,283	5	35	606	16,444	10	17,722	36	34,145	27,586	27,844	32,297	463,040
Mar-04	1,493	159,397	41	151,655	551	90,338	2,142	563	134	1,330	5	35	627	20,156	13	21,188	37	34,636	27,808	30,717	32,794	497,260
2003-04	**1,493**	**159,397**	**41**	**151,655**	**551**	**90,338**	**2,142**	**563**	**134**	**1,330**	**5**	**35**	**627**	**20,156**	**13**	**21,188**	**37**	**34,636**	**27,808**	**30,717**	**32,794**	**497,260**
Apr-04	1,521	166,559	41	154,561	553	97,551	2,149	608	133	1,336	5	35	629	19,696	14	22,050	37	35,289	27,881	32,545	32,971	530,022
May-04	1,542	134,555	40	135,708	566	87,002	2,226	601	133	1,262	5	35	630	19,366	14	21,715	37	28,860	27,815	28,377	33,008	457,269
June-04	1,583	138,090	41	140,704	561	97,413	2,231	613	133	1,237	5	35	636	20,783	14	21,810	38	29,368	27,773	28,096	33,015	478,150
July-04	1,600	147,641	41	145,729	570	88,803	2,260	619	132	1,308	5	35	650	21,100	14	22,413	38	31,749	27,854	30,138	33,164	489,535
Aug-04	1,661	153,523	40	149,768	588	100,289	2,303	725	132	1,405	5	35	653	21,379	14	21,995	38	32,001	27,995	30,184	33,321	511,302
Sep-04*	1,665	162,300	40	155,772	598	102,518	2,308	768	133	1,573	5	35	657	22,073	14	22,190	40	33,287	28,044	31,128	33,504	531,644
Oct-04	1,727	170,405	40	156,366	596	96,905	2,336	696	133	1,435	5	35	650	21,149	14	21,979	38	34,921	28,128	33,845	33,668	537,738
Nov-04	**1,752**	**198,243**	**42**	**19,389**	**608**	**91,084**	**2,363**	**745**	**133**	**1,523**	**5**	**35**	**655**	**22,070**	**15**	**23,466**	**40**	**39,115**	**28,122**	**37,552**	**33,735**	**578,222**

*Revised figures

Source: Various Custodians

Table 37: Ratings Assigned for Corporate Debt Securities (maturity ≥ 1year)

(Rs. crore)

Grade / Period	Investment Grade								Non-Investment Grade		Total	
	Highest Safety (AAA)		High Safety (AA)		Adequate Safety (A)		Moderate Safety (BBB)					
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1999-00	**77**	**97,723**	**57**	**11,106**	**55**	**7,227**	**17**	**896**	**14**	**723**	220	117,674
2000-01	**113**	**97,988**	**99**	**12,880**	**63**	**14,890**	**9**	**1,689**	**11**	**405**	295	127,851
2001-02	**106**	**86,987**	**112**	**39,312**	**80**	**13,086**	**26**	**1,525**	**10**	**292**	**334**	**141,200**
2002-03	**160**	**107,808**	**95**	**19,513**	**64**	**10,652**	**22**	**2,335**	**10**	**1,463**	**351**	**141,770**
Apr-03	10	3,669	6	4,293	2	370	1	12	0	0	19	8,344
May-03	12	17,226	8	431	3	230	2	14	1	15	26	17,916
Jun-03	11	13,368	6	337	0	0	2	14	0	0	19	13,718
Jul-03	22	34,309	12	1,358	3	615	0	0	0	0	37	36,282
Aug-03	15	8,636	5	1,056	9	1,645	1	25	0	0	30	11,362
Sep-03	17	11,217	5	290	7	770	4	243	0	0	11	12,521
Oct-03	17	4,214	4	450	3	257	2	25	0	0	26	4,946
Nov-03	5	3,433	9	508	5	2,205	1	4	1	10	21	6,160
Dec-03	18	8,951	4	195	7	772	0	0	1	600	30	10,518
Jan-04	17	4,577	6	335	7	950	3	530	0	0	33	6,392
Feb-04	28	11,045	13	1,726	9	341	5	620	0	0	55	13,731
Mar-04	29	8,790	21	13,929	14	2,045	5	326	1	20	70	25,109
2003-04	**201**	**129,436**	**99**	**24,908**	**69**	**10,200**	**26**	**1,812**	**4**	**645**	**377**	**167,000**
Apr-04	18	10,957	8	1,701	3	766	2	200	0	0	31	13,624
May-04	17	5,624	510	3,100	5,905	825	2	160	1	15	37	17,339
Jun-04	24	12,501	9	7,421	2	70	3	110	2	46	40	20,149
Jul-04	24	32,809	14	9,886	8	749	4	64	0	0	50	43,508
Aug-04	24	13,586	9	2,469	5	586	4	115	0	0	42	16,757
Sep-04	36	5,755	9	10,114	11	1,056	3	437	3	87	62	17,449
Oct-04	15	13,509	5	238	4	379	3	105	0	0	27	14,231
Nov-04	**12**	**9,699**	**3**	**220**	**1**	**125**	**4**	**163**	**0**	**0**	**20**	**10,207**

Source: Various Credit Rating Agencies

Table 38 : Review of Accepted Ratings of Corporate Debt Securities (maturity ≥ 1 year)

(Rs. crore)

Grade / Period	Upgraded		Downgraded		Reaffirmed		Rating Watch		Withdrawn/ Suspended		Not Meaning Category		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
1999-00	**1**	**26**	**2**	**64**	**6**	**143**	**0**	**0**	**2**	**33**	**NA**	**NA**	**11**	**267**
2000-01	**6**	**155**	**4**	**73**	**26**	**3,302**	**0**	**0**	**6**	**133**	**NA**	**NA**	**42**	**3,663**
2001-02	**141**	**35,712**	**591**	**135,546**	**1,023**	**862,008**	**90**	**26,788**	**272**	**8,880**	NA	NA	2,117	**1,068,933**
2002-03	**26**	**1,645**	**201**	**135,423**	**410**	**279,619**	**45**	**26,572**	**127**	**26,901**	**NA**	**NA**	**809**	**470,160**
Apr-03	1	20	3	4,524	33	30,107	2	309	4	57	NA	NA	43	35,017
May-03	3	385	3	121	32	73,102	1	16	9	237	3	38	53	73,899
Jun-03	4	616	3	102	26	28,642	4	3,120	7	153	NA	NA	44	32,633
Jul-03	3	197	0	0	35	16,918	3	127	17	2,369	NA	NA	58	19,611
Aug-03	7	1,370	1	2	31	42,005	1	25	11	555	0	0	51	43,956
Sep-03	4	6,764	3	40	77	133,702	0	0	13	686	0	0	99	141,192
Oct-03	2	225	4	189	38	11,978	2	275	8	183	0	0	54	12,850
Nov-03	6	197	12	554	51	72,315	1	310	7	406	1	61	78	73,842
Dec-03	6	1,035	3	375	37	23,442	1	346	15	313	5	129	67	25,642
Jan-04	7	217	3	165	36	29,128	13	2,940	4	71	1	1	64	32,523
Feb-04	5	3,570	4	165	76	147,656	3	5,714	13	4,790	1	1	102	161,897
Mar-04	6	184	4	827	49	18,790	0	0	20	1,618	0	0	79	21,418
2003-04	**54**	**14,780**	**43**	**7,064**	**521**	**627,786**	**31**	**13,182**	**128**	**11,438**	**11**	**230**	**792**	**674,480**
Apr-04	3	741	4	1,226	44	15,589	1	30	13	692	2	10	67	18,288
May-04	3	125	2	37	49	25,400	0	0	7	408	0	0	61	25,970
Jun-04	4	425	7	590	25	33,204	1	63	7	1,100	0	0	44	35,381
Jul-04	13	2,795	3	189	54	39,271	3	575	6	313	27	2,722	47	25,242
Aug-04	11	4,806	12	1,898	86	46,511	6	2,960	17	732	0	0	132	56,907
Sep-04	17	9,052	6	1,163	50	26,977	0	0	13	1,154	2	55	88	374,821
Oct-04	4	640	1	0	209	54,436	0	0	17	358	4	51	235	38,442
Nov-04	**3**	**77**	**1**	**50**	**58**	**126,890**	**0**	**0**	**10**	**1,361**	**0**	**0**	**72**	**128,378**

Source: Various Credit Rating Agencies

Table 39: Macro Economic Indicators

I. GDP at Market Price (2003-04 Revised Estimates)[1]	27,72,194 (Rs.crore)				
II. Gross Domestic Saving as a % of GDP (2002-03 Quick Estimate)[2]		24.2			
III. Gross Domestic Capital Formation as a % of GDP (2002-03 Quick Estimate)[2]		23.3			
IV. Monetary and Banking Indicators[3]	**Jul 2004**	**Aug 2004**	**Sep 2004**	**Oct 2004**	**Nov 2004**
Cash Reserve Ratio (%)	4.50	4.50	4.75	5.00	5.00
Bank Rate (%)	6.00	6.00	6.00	6.00	6.00
Money supply(M3) (in Rs.crore)#	20,84,134	21,06,337	20,97,242[4]	◆ 21,23,514[5]	◆ 21,39,121
@Aggregate Deposit (in Rs.crore)#	15,69,413	15,93,183	15,97,502	16,05,233[5]	16,10,281
Bank Credit (in Rs.crore)#	8,83,279	9,02,970	9,29,727	9,71,018[5]	10,06,309
V. Interest Rate[3]					
Call Money Rate(lending / borrowing)-Max	7.30/4.55	10.95/6.00	6.12/6.12	6.10/6.10	6.25/6.25
**91-Day-Treasury Bill[6]	4.49	4.69	5.02	5.37	5.16
~PLR (Maximum) (%)	11.00	11.00	10.75	10.75	10.75
◆Deposit Rate (Maximum) (%)	5.50	5.50	5.50	5.50*	5.75
VI. Capital Market Indicators					
Turnover(BSE+NSE) (in Rs.crore)	1,33,284	1,25,050	1,28,111	1,10,306	1,17,777
Market Cap-BSE (in Rs.crore)	11,35,588	12,16,566	13,09,317	13,37,191	15,39,595
Market Cap-NSE (in Rs.crore)	10,66,087	11,43,074	12,27,550	12,53,825	14,46,292
FII Equity Flow (in Rs.crore)	913	2,892	2,385	3,263	6, 741
VII. Exchange Rate and Reserves[7]					
Forex Reserves (Rs.crore)	5,49,402	5,44,301	5,47,854	5,51,048	5,78,526
Re/ Dollar	46.45	46.31	45.92	45.45	44.24
Re/Euro	55.95	56.13	57.04	57.89	58.71
6- months Inter Bank Forward Premia of U S Dollar (% per annum)	2.58	2.44	2.12	2.31	1.49
VIII. Public Borrowing and Inflation					
Govt. Market Borrowing (in Rs.crore)	56,000[8]	69,000[9]	79,000[9]	85,000[9]	93,000[9]
Whole Price Index(Base 1993-94)#	184.7	187.6	189.3	188.6[10]	190.1[11]
IX. Index of Industrial Production[12] (y-o-y)%					
General	197.6	196.4	200.9	203.0	-
Mining	146.8	142.4	143.3	150.4	-
Manufacturing	205.7	205.8	210.9	212.9	-
Electricity	186.9	178.7	182.0	180.4	-
X. External Sector Indicators					
Exports (in Rs.crore)	25,015	26,046	-	-	-
Imports (in Rs.crore)	34,242	32,912	-	-	-
Trade Balance (in Rs.crore)	-9,228	-6,865	-	-	-
Export Growth (%)	18.33	29.27	-	-	-
Import Growth (%)	31.06	26.68	-	-	-

#Provisional figures

◆ Includes Rs.25,662 crore on account of proceeds from Indian Millennium Deposits (IMDs), since November 17, 2000 Data also reflect redemption of Resurgent India Bonds (RIBs) of Rs.22, 693 crore, since October 1, 2003.

@Includes Rs. 25,662 crore on account of proceeds from India Millenium Deposits (IMDs) since November 17, 2000. Data also reflect redemption of Resurgent India Bonds (RIBs) of Rs.22, 693 crore since October 1, 2003.

***Mentioned as Implicit Yield at Cut-off-Price(%) in RBI Weekly Statistical Supplement*

▽ Deposit rates relate to major banks for term deposits of more than one year maturity.

[1] Source : CSO website

[2] Source : Economic Survey 2003-04

[3] Data as on July 23, 2004, August 20, 2004, September 24, 2004, October 22, 2004 and November 26, 2004.

[4] As on September 17, 2004

[5] As on October 15, 2004

[6]As on July 28, 2004 and August 25, 2004, September 29, 2004,October 27, 2004 and December 1, 2004.

[7] As on July 30, 2004, August 27, 2004, October 1, 2004, October 29, 2004 and December 3, 2004.

[8]Includes Rs.20,000 crore under Market Stabilisation Scheme

[9]Includes Rs.25,000 crore under Market Stabilisation Scheme

[10]As on October 16, 2004

[11]As on November 20, 2004

[12] As on August 27, 2004, October 1, 2004, October 29, 2004 and December 10, 2004(cumulative).

Table 40: Daily Return and Volatility: Select World Stock Indices **(per cent)**

Year/Month	USA		UK		France		Australia		Hongkong		Singapore		Malaysia	
	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility
1992	0.02	0.61	0.05	0.98	0.02	1.21	-0.02	0.70	0.10	1.43	0.01	0.9	0.06	0.77
1993	0.03	0.54	0.07	0.63	0.08	0.98	0.13	0.73	0.31	1.42	0.20	0.83	0.26	1.06
1994	-0.01	0.62	-0.04	0.85	-0.07	1.11	-0.05	0.88	-0.15	1.88	-0.04	1.25	-0.10	1.81
1995	0.12	0.49	0.07	0.62	0.00	1.10	0.06	0.66	0.08	1.27	0.01	1	0.01	1.09
1996	0.07	0.74	0.04	0.59	0.09	1.79	0.03	0.74	0.12	1.07	0.02	0.83	0.08	0.84
1997	0.11	1.14	0.09	0.96	0.10	1.40	0.02	0.99	-0.09	2.53	-0.11	1.52	-0.30	2.38
1998	0.09	1.28	0.05	1.33	0.11	1.66	0.04	0.93	-0.03	2.78	-0.03	2.45	-0.02	3.16
1999	0.07	1.14	0.07	1.13	0.16	1.21	0.04	0.76	0.21	1.68	0.23	1.51	0.14	1.76
2000	-0.04	1.40	-0.04	1.20	0.00	1.48	0.00	0.85	-0.05	1.98	-0.10	1.47	0.07	1.40
2001	-0.06	1.36	-0.07	1.37	-0.10	1.64	0.02	0.80	-0.12	1.76	-0.06	1.45	0.01	1.33
2002	0.11	1.64	-0.11	1.73	-0.16	2.22	-0.05	0.70	-0.08	1.22	-0.08	1.03	-0.03	0.75
2003	0.08	1.06	0.09	1.16	0.11	1.37	0.15	0.93	0.12	1.07	0.12	1.17	0.09	0.72
Dec 2003 - Nov 2004	0.04	0.70	0.03	0.65	0.03	0.86	0.08	0.41	0.05	1.05	0.06	0.77	0.06	0.73

Daily Return and Volatility: Select World Stock Indices **(per cent)**

Year/Month	Brazil		Mexico		South Africa		Japan		SENSEX		S&P CNX Nifty	
	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility	Return	Volatility
1992	0.98	6.95	0.08	1.59	NA	NA	NA	NA	0.11	3.33	NA	NA
1993	1.63	3.36	0.16	1.26	NA	NA	0.04	1.23	0.08	1.83	NA	NA
1994	1.00	3.91	-0.04	1.83	NA	NA	0.03	0.91	0.07	1.43	NA	NA
1995	-0.01	3.39	0.06	2.27	0.11	0.53	0.01	1.2	-0.15	1.26	-0.24	1.31
1996	0.20	1.38	0.08	1.22	0.03	0.77	-0.02	0.78	-0.01	1.52	0.00	1.48
1997	0.14	2.98	0.18	1.75	-0.03	1.32	-0.07	0.44	0.03	1.62	0.07	1.69
1998	-0.16	3.54	-0.11	2.3	-0.04	1.78	-0.04	1.41	-0.11	1.9	-0.08	1.79
1999	0.37	2.88	0.23	1.86	0.21	1.02	0.19	1.22	0.19	1.82	0.20	1.80
2000	-0.04	2.00	-0.09	2.20	-0.01	1.31	-0.11	1.4	-0.12	2.20	-0.06	1.96
2001	-0.05	2.14	0.05	1.48	0.10	1.39	-0.09	1.55	-0.09	1.72	-0.07	1.59
2002	-0.07	1.89	-0.02	1.40	-0.05	1.19	-0.09	1.44	-0.01	1.10	0.01	1.06
2003	0.34	2.06	0.11	1.07	0.14	1.2	0.12	1.44	0.23	1.19	0.23	1.26
Dec 2003 - Nov 2004	0.08	1.81	0.13	0.95	0.09	0.93	0.02	1.08	0.07	1.62	0.07	1.78

Source: Basic data are taken from Bloomberg L.P.

Issue of Securities	
Dos	Dont's
✓ Read the Prospectus/Abridged Prospectus and carefully note : ■ Risk factors pertaining to the issue. ■ Outstanding litigation and defaults, if any. ■ Financials of the issuer. ■ Object of the issue. ■ Company history. ■ Background of promoters. ■ Instructions before making applications. ✓ In case of any doubt/problem, contact the compliance officer named in the offer documents. ✓ In case you do not receive physical certificates/ credit to demat account or application money refund, lodge a complaint with compliance officer of issuer company and post issue lead manager as stated in the offer document.	✕ Do not fall prey to market rumours. ✕ Do not go by any implicit/ explicit promise made by the issuer or any one else. ✕ Do not invest based on bull run of the market index/scrips of other companies in same industry/issuer company. ✕ Do not bank upon the price of the shares of the issuer company to go up in the short run.

Investing in Derivatives	
Dos	Don'ts
✓ Go through all rules, regulations, bye-laws and disclosures made by the exchanges. ✓ Trade only through -Trading Member (TM) registered with SEBI or authorized person of TM registered with the exchange. ✓ While dealing with an authorized person, ensure that the contract note has been issued by the TM of the authorized person only. ✓ While dealing with an authorized person, pay the brokerage/payments/margins etc. to the TM only. ✓ Ensure that for every executed trade you receive duly signed contract note from your TM highlighting the details of the trade along with your unique client-id. ✓ Obtain receipt for collateral deposited with Trading Member (TM) towards margin.	✕ Do not start trading before reading and understanding the Risk Disclosure Documents. ✕ Do not trade on any product without knowing the risk and rewards associated with it.

Dos	Dont's
✓ Go through details of Client-Trading Member Agreement. ✓ Know your rights and duties vis-à-vis those of TM/ Clearing Member. ✓ Be aware of the risk associated with your positions in the market and margin calls on them. ✓ Collect/pay mark to market margins on your futures position on a daily basis from/to your Trading member.	

Collective Investment Scheme (CIS)

Dos	Don'ts
✓ Before investing ensure that the entity is registered with SEBI. ✓ Read the offer document of the scheme especially the risk factors carefully. ✓ Check the viability of the projects. ✓ Check and verify the background/expertise of the promoters. ✓ Ensure clear and marketable title of the property/ assets of the entity. ✓ Ensure that the Collective Investment Management Company (CIMC) has the necessary infrastructure to carry out the scheme. ✓ Check the credit rating of the scheme and tenure of the rating. ✓ Check for the appraisal of the scheme and read the brief appraisal report. ✓ Read carefully the objects of the scheme. ✓ Check for the promise vis-à-vis performance of the earlier schemes in the offer document. ✓ Ensure that CIMC furnishes a copy of the Annual Report within two months from the closure of the financial year. ✓ Note that SEBI cannot guarantee or undertake the repayment of money to the investors.	✗ Do not invest in any CIS entity not having SEBI registration. ✗ Do not get carried away by indicative returns. ✗ Do not invest based on market rumours.

Dealing with Brokers & Sub-brokers

Dos	Don'ts
✓ Deal only with SEBI registered intermediaries. ✓ Ensure that the intermediary has a valid registration certificate.	✗ Do not deal with unregistered intermediaries. ✗ Do not pay more than the approved brokerage to the intermediary.

Dos	Dont's
✓ Ensure that the intermediary is permitted to transact in the market. ✓ State clearly who will be placing orders on your behalf. ✓ Insist on client registration form to be signed by the intermediary before commencing operations. ✓ Enter into an agreement with your broker or sub-broker setting out terms and conditions clearly. ✓ Insist on contract note/confirmation memo for trades done each day. ✓ Insist on bill for every settlement. ✓ Ensure that broker's name, trade time and number, transaction price and brokerage are shown distinctly on the contract note. ✓ Insist on periodical statement of accounts. ✓ Issue cheques/drafts in trade name of the intermediary only. ✓ Ensure receipt of payment/deliveries within 48 hours of payout. ✓ In case of disputes, file written complaint to intermediary/Stock Exchange/SEBI within a reasonable time. ✓ In case of sub-broker disputes, inform the main broker about the dispute within 6 months. ✓ Familiarize yourself with the rules, regulations and circulars issued by stock exchanges/SEBI before carrying out any transaction.	✗ Do not undertake deals for others. ✗ Do not neglect to set out in writing, orders for higher value given over phone. ✗ Do not sign blank delivery instruction slip(s) while meeting security payin obligation ✗ Don't accept contract note/confirmation memo signed by any unauthorized person. ✗ Don't delay payment/deliveries of securities to broker/sub-broker. ✗ Don't get carried away by luring advertisements, if any. ✗ Don't be led by market rumours or get into shady transactions.

Investing in Mutual Funds

Dos	Dont's
✓ Read the offer document carefully before investing. ✓ Note that investments in Mutual Funds may be risky. ✓ Mention your bank account number in the application form. ✓ Invest in a scheme depending upon your investment objective and risk appetite. ✓ Note that Net Asset Value of a scheme is subject to change depending upon market conditions. ✓ Insist for a copy of the offer document/key information memorandum before investing.	✗ Do not invest in a scheme just because somebody is offering you a commission or other incentive, gifts etc. ✗ Do not get carried away by the name of the scheme/Mutual Fund. ✗ Do not fall prey to promises of unrealistic returns. ✗ Do not forget to take note of risks involved in the investment. ✗ Do not hesitate to approach concerned person and then the appropriate authorities for any problem. ✗ Do not deal with any agent/broker dealer who is not registered with Association of Mutual Funds in India (AMFI)

Dos	Don'ts
✓ Note that past performance of a scheme is not indicative of future performance. ✓ Past performance of a scheme may or may not be sustained in future. ✓ Keep track of the Net Asset Value of a scheme, where you have invested, on a regular basis. ✓ Ensure that you receive an account statement for the money that you have invested. ✓ Update yourself on the performance of the scheme on a regular basis.	

Buyback of Securities

Dos	Don'ts
✓ Read the special resolution regarding the proposed buy back in detail and then vote for it. ✓ Compare the price offered in buy back with market price during last few months, Earning per share, Book Value etc. ✓ Determine whether the price offered is reasonable. ✓ Read the instructions for making the application for tendering of shares carefully and follow them. ✓ Ensure that your application reaches the collection centre well within time. ✓ If you don't get the letter of offer within reasonable period, contact the Merchant Banker. ✓ Mention all details as required in the letter of offer legibly. ✓ Furnish all the documents asked for in the letter of offer. ✓ Send application through the mode (post/courier/hand delivery/ordinary post etc.) specified in the letter of offer. ✓ Contact Merchant Banker (MB) if no response is received from company/MB regarding consideration for tendered shares within stipulated time. ✓ Contact Compliance Officer mentioned in the letter of offer in case of any grievance against the company. ✓ Contact the Registrar of Companies in case you feel that provision of the Companies Act has been violated.	✗ Don't submit multiple applications. ✗ Don't forget to fill up the application legibly. ✗ Don't mutilate the application form. ✗ Don't cross/cut in the application form. ✗ Don't send the application at wrong address. ✗ Don't send the application after the close of offer. ✗ Don't forget to give complete information in the application form. ✗ Don't forget to sign on application form. ✗ Don't give wrong/contradictory information on the application form.

Dos	Don'ts
✓ Contact the Merchant Banker in case of any grievance against the procedure followed in the buy back.	

Open Offer under Takeover Regulations

Dos	Don'ts
✓ Ensure that you are aware of all competitive offers and revision of offer before deciding on accepting the offer. ✓ Refer to national dailies/SEBI website for details of competitive offers or revisions of offers. ✓ Note that the offer would be subject to statutory approvals, if any, mentioned in the Letter of Offer. ✓ Check whether the offer will result in delisting of the company. ✓ In case of demateralised equity shares ensure credit is received to the Special Depository/Account before the closure of the Offer. ✓ Carefully note the timings/days for hand delivery of the documents mentioned in the letter of offer. ✓ Wait till last date for offer revision (i.e. 7 working days prior to date of closing of offer) before tendering acceptance. ✓ Submit the Form of Withdrawal accompanying the Letter of Offer at any specified collection center upto 3 working days before date of closing of the Offer in case you want to withdraw the shares tendered. ✓ Ensure that signatures on Form of Acceptance, Transfer Deed, Depository Instruction and Form of Withdrawal are in same order and same as those lodged with the company. ✓ In case of non receipt of Offer Document, you can tender or withdraw from the offer by making an application on plain paper giving the necessary details.	✗ Don't wait for the last date for the closure of the offer for tendering your acceptance. ✗ Don't fill in the details of the buyer/transferee in the transfer deed to be sent. ✗ Don't file an incomplete application form/invalid documents.

Dealing in Securities

Dos	Don'ts
✓ Transact only through Stock Exchanges ✓ Deal only through SEBI registered intermediaries. ✓ Complete all the required formalities of opening an account properly (Client registration, Client agreement forms etc.)	✗ Don't undertake off-market transactions in securities. ✗ Don't deal with unregistered intermediaries. ✗ Don't fall prey to promises of unrealistic returns.

Do's	Don'ts
✓ Ask for and sign "Know Your Client Agreement". ✓ Read and properly understand the risks associated with investing in securities/derivatives before undertaking transactions. ✓ Assess the risk-return profile of the investment as well as the liquidity and safety aspects before making your investment decision. ✓ Ask all relevant questions and clear your doubts with your broker before transacting. ✓ Invest based on sound reasoning after taking into account all publicly available information and on fundamentals. ✓ Give clear and unambiguous instructions to your broker/sub-broker/depository participant. ✓ Be vigilant in your transaction. ✓ Insist on a contract note for your transaction. ✓ Verify all details in contract note, immediately on receipt. ✓ Crosscheck details of your trade with details as available on the exchange website. ✓ Scrutinize minutely both the transaction and the holding statements that you receive from your Depository participant. ✓ Keep copies of all your investment documentations. ✓ Handle Delivery Instruction Slips (DIS) Book issued by DP's carefully. ✓ Insist that the DIS numbers are pre-printed and your account number (client id) be pre-stamped. ✓ In case you are not transacting frequently make use of the freezing facilities provided for your demat account. ✓ Pay the margins required to be paid in the time prescribed. ✓ Deliver the shares in case of sale or pay the money in case of purchase within the time prescribed. ✓ Participate and vote in general meetings either personally or through proxy. ✓ Be aware of your rights and responsibilities. ✓ In case of complaints approach the right authorities for redressal in a timely manner.	✕ Don't invest on the basis of hearsay and rumors; verify before investment. ✕ Don't forget to take note of risks involved in the investment. ✕ Don't be misled by rumors circulating in the market. ✕ Don't be influenced into buying into fundamentally unsound companies (penny stocks) based on sudden spurts in trading volumes or prices or non-authentic favourable looking articles/stories. ✕ Don't follow the herd or play on momentum- it could turn against you. ✕ Don't be misled by so called hot tips. ✕ Don't try to time the market. ✕ Don't hesitate to approach the proper authorities for redressal of your doubts/grievances. ✕ Don't leave signed blank Delivery Instruction Slips of your demat account lying around carelessly or with anyone. ✕ Do not sign blank Delivery Instruction Slips (DIS) and keep them with Depository Participant (DP) or broker to save time. Remember your carelessness can be your peril.

Publications

A. Chairman's Speech

1. The Valedictory Address at Nirma Institute of Management, Ahmedabad ***"Building Enlightened Corporate Citizens Of India"*** by Shri G. N. Bajpai, Chairman, SEBI on April 5, 2002.
2. The Valedictory Address at Amrita Institute Of Management ***"Fostering Knowledge Management (Acquiring, Assimilating, Accessing, Apportioning)"*** by Shri G.N. Bajpai, Chairman, SEBI on April 20, 2002.
3. The Convocation Address at K.J. Somaiya Institute of Management Studies and Research, Mumbai, ***"The Challenge Of Leadership"*** by Shri G.N. Bajpai, Chairman, SEBI on May 11, 2002.
4. The Inaugural Address at Institute of Company Secretaries of India, New Delhi ***"Need for Centralised Listing and Simplification of Delisting Norms"***by Shri G. N. Bajpai, Chairman, SEBI on June 14, 2002.
5. Speech at S.D. Gupte Memorial Lecture, Mumbai,***"Significance of Securities Market in the Growth of an Economy : An Indian context"*** on March 13, 2003
6. Speech for the Convocation Ceremony of Dr. Gauri Hari Singhania Institute of Management & Research, Kanpur ***"Cultivating Winning Habit"*** by Shri G. N. Bajpai, Chairman, SEBI on May 26, 2003.

B. Other Publications

1. Survey of Indian Investors, 1998-99, published by SEBI - NCAER. Price: Rs. 1500.
2. Survey of Indian Investors, 2000-01, published by SEBI-NCAER. Price: Rs. 750.
3. Annual Reports : 2003-04, 2002-03, 2001-02, 2000-01, 1999-2000, 1998-99.

Interested people may contact the Research Department of SEBI to obtain a copy of speech/Survey of Indian Investors/Annual Report at the following address:

Research Department
Securities and Exchange Board of India
Mittal Court, 'B' Wing, 1st Floor,
224 Nariman Point,
Mumbai - 400021.
Tel No. 22850451-56.
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