

Diwali in BSE

BSE Celebrates Diwali 2003 with Laxmi Puja and Muhurat Trading

Diwali has special significance for The Stock Exchange, Mumbai (BSE). This year, the Exchange celebrated Diwali by organising a grand event. **Smt. Hema Malini, Hon'ble Member of Parliament**



and India's leading film artist and personality attended the **Laxmi Puja**. The Laxmi Puja which was held between 4:00 p.m. and 5:00 p.m. and was attended by a large number of professionals from the capital markets, banking sector, and financial services alongwith their families. The Puja was followed by Muhurat Trading. On the Muhurat Trading, the Sensex went up by 44.91 points to 4802.28, compared to the previous close.

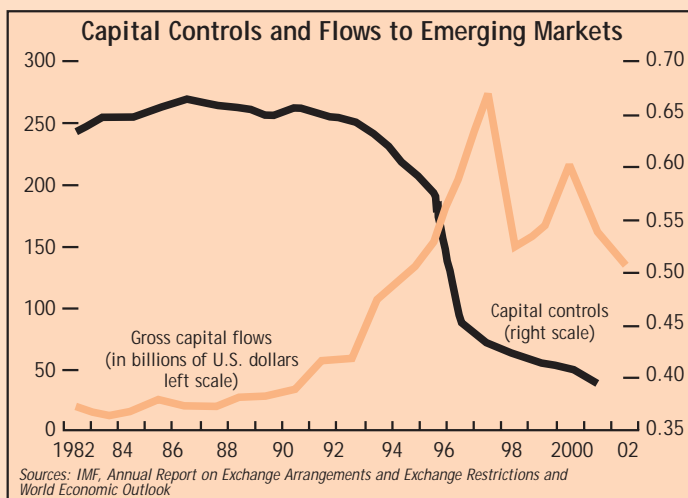
Diwali is the festival when the new business year begins and Goddess Lakshmi, who represents good fortune and wealth is worshipped.



Muhurat trading takes place on the **Third day** of the festival period of Diwali which is the last day of the Vikram Samavat year and hence most important day of **Lakshmi-Puja**, devoted entirely to the worship of Goddess Lakshmi. On this day "Chopada-Puja" is done by the business community.

Brokers perform "Chopada puja" to invoke Goddess Laxmi for progress and prosperity and do 'Muhurat (auspicious) trading' or symbolic auspicious business deals to mark the beginning of the new Vikram Samavat. On this day, the sun enters the star sign Libra, symbolised by a balance or scales. So, brokers balance their books for the year that has closed and perform Puja of their fresh account books for the new year. This is done by invoking the blessings of Goddess Lakshmi and Shri Ganesh for better business and prosperity during the coming year.

Review this month



Since 1990, private capital flows have far exceeded official loans and grants to become the dominant source of external funding for many emerging market countries. The terms and conditions under which these countries access international capital markets thus weigh heavily on economic performance. Asia received most of the capital inflows up to 1996 but then suffered a large decline after the financial crisis of 1997. Although inflows to Latin America were relatively stable during the Asian and the Russian crises, they declined sharply in 2002 following the Argentina default. While European emerging markets had more limited but volatile inflows, Africa experienced the smallest inflows of any region. Inflows to the Middle East were strong in the beginning of the decade but then declined and, beginning in 1999, turned into a capital outflow, possibly because of the uncertain security situation in the region or the investment of oil revenues offshore.

The global trend of deregulation and liberalization of the financial sector in industrial and many developing countries, together with capital account liberalization, catalyzed a vast increase in the volume and speed of capital flows in the boom-phase of the early 1990s. The surge in capital inflows to Asia, driven by a partial financial liberalization and the supposed implicit guarantees of stable exchange rates, fueled an expansion in banks' balance sheets that led to large increases in lending and asset price bubbles. Stock market liberalization also helped boost portfolio flows during the boom-phase of the first half of the 1990s, as well as increased the transmission of the technology, media, and telecom (TMT) bubble and the increased volatility of the second half of the decade. A recent study (Edison and Warnock, 2003) shows that stock market liberalization has proceeded quite rapidly in many emerging market economies. The future of emerging market as a promising asset class by itself has justified the sustainable flow of funds. And what is the road ahead? Dr. Mark Mobius has analyzed the emerging markets from all possible directions to provide a clear picture in an exclusive interview for the review. This issue also featured an innovative perspective of the capital market through the article, Strategic initiatives in Mutual Fund.

THE STOCK EXCHANGE REVIEW INVITES ARTICLES ON CAPITAL MARKETS AND FINANCIAL MARKETS

The Stock Exchange Review invites articles on capital markets and financial markets covering major market segments such as securities industry, banking, money markets, debt, derivatives, mutual funds, insurance and infrastructure finance. Articles should be original and in the realm of relevant areas such as conceptual framework, regulation and practice. Articles based on research are particularly encouraged and those which are crisp and concise merit faster consideration. Articles accepted for publication will be paid honorarium and authors will be provided five copies of the Review. The size of the article could be around 2000 words and focus more on operational aspects rather than lengthy introductions and narrations. It would be preferable if the articles are submitted through email (review@bseindia.com) but manuscripts sent by post will also be accepted for consideration. Each article should be accompanied by a certificate from the author stating that it is original and not sent for any other publication considered. For any information/assistance in this regard, please send your request to the above referred email.

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INVITATION TO AUTHORS

Domestic Economy

Domestic Economy	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Gross Domestic Product (% change yoy)	4.8	6.5	6.1	4.4	5.6	4.3
Value added in Agriculture (% change yoy)	-2.4	6.2	0.3	-0.4	5.7	-3.2
Industry	4.3	3.7	4.8	6.6	3.3	6.0
Services	9.8	8.3	10.1	5.6	6.8	7.1
Exports \$ mn	35049	33211	36760	44147	43708	52370
Imports \$mn	41535	42379	49799	50056	51261	61445
Money supply (M3) % change yoy	18.0	19.4	14.6	16.8	14.2	15.0
WPI (% change yoy)	4.4	5.9	3.3	7.1	3.7	3.4
Capital Issues (Rs. bn)	487	437	663	492	458	408.1
Equity (Rs. bn)	177	117	249	142	62	73.9
Debt (Rs. bn)	317	320	410	348	395	334
GDRs/ADRs \$mn	291	70	822	480	495	131
FDI \$mn	3562	2480	2167	4029	6131	4660
Portfolio flows \$mn	1828	-68	3024	2760	2020	979
NRI deposits \$mn	1125	960	1540	2317	2754	2808
ECB \$mn	4010	4367	333	3737	-1576	-1698
Total Foreign Capital Flows \$mn (net)	9226	8042	10184	9992	10573	12638
Aggregate deposits (SCBs) (% change yoy)	18.4	19.3	19.3	16.2	11.5	16.1
Non-food credit (% change yoy)	15.1	13.0	21.9	14.1	13.3	26.9
Gross Fiscal Deficit (% of GDP)	5.8	6.5	5.4	5.6	6.1	

Monthly Indicators

Particulars	Sep02	Oct02	Nov02	Dec02	Jan03	Feb03	Mar03	Apr03	May03	Jun03	Jul03	Aug03	Sep03
IIP	6.2	6.6	3.6	4.9	6.7	6.9	5.8	4.3	6.0	5.7	5.9	5.2	
Exports (% change yoy)	15.1	13.9	5.8	34.3	8.7	12.9	14.6	8.1	12.8	10.9	5.7	4.1	16.0
Imports (% change yoy)	29.9	35.4	22.6	24.3	23.9	17.8	24.5	38.7	7.9	38.6	17.0	15.4	16.3
Forex reserves \$bn	59.7	61.2	63.6	67.0	69.9	69.1	71.1	74.3	77.9	78.2	81.2	82.6	85.6
Non-food credit	25.3	24.8	26.2	25.5	27.2	27.8	26.2	26.3	16.4	16.2	15.5	15.2	14.1
WPI	3.6	3.1	3.4	3.2	4.1	5.4	6.0	6.6	6.5	5.3	4.6	3.9	4.6
Trade Balance \$mn	-812	-1309	-1318	-709	-638	-441	-776	-1527	-1106	-1613	-1016	-1055	-932

Markets

Particulars	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	June-03	July-03	Aug-03	Sep-03	Oct-03
Govt. borrowings (Rs. bn)	96.1	57.2	81.7	90.1	124.43	28.9	84.9	154.4	300.2	154.4	261.4	-310	
Agg. deposits (% change yoy)	18.17	18.09	17.59	18.57	17.76	16.06	16.22	11.48	12.17	11.82	11.51	11.81	11.74
Bank credit (% change yoy)	23.10	24.22	23.10	23.84	23.32	23.0	22.62	13.32	12.95	11.70	11.49	10.70	11.83
Public Issues (Rs. cr)	555.00	2126.00	237.00	766.59	424.59	350.00	0.00	0.00	993.34	388.00	394.16	531.99	665.50
Rights Issues (Rs. cr)	0.00	0.39	49.22	0.00	79.66	29.52	1.96	0.00	0.00	0.00	0.00	164.86	93.22
Private Placements (Rs. cr)	2164.99	2019.86	3234.10	3197.66	2161.63	3299.56	586.53	1232.29	2008.07	3770.9	2845	2253.2	1022.57
Overseas Floatations (Rs. cr)	0.00	198.07	0.00	71.65	0.00	72.50	0.00	0.00	75.00	0.00	0.00	0.00	1426.21
Assets under management MFs. (Rs. cr)	113153	121393	122600	121805	87190	79464	89238	98124	104762	112841	121040	121778	126726
Corporate Debt Floatations (Rs. cr)	2562	2594	3222	3494	2122	3630	565	1225	1933	3664	3063	2147	1415

Rates, Ratios, Returns

	Sep 03	Oct 03		Sep 03	Oct 03		Sep 03	Oct 03
Bank Rate	6.0	6.0	CRR	4.50	4.50	PE Ratio : SENSEX	15.76	17.07
Savings bank rate	3.5	3.5	SLR	25	25	Price to Book Value	2.70	2.92
Term deposit rate	5.00-6.00	5.00-6.00	Credit Deposit Ratio	53.60	54.72	Dividend Yield	1.98	1.88
PLR	10.50-11.50	10.50-11.50	Re/US\$	45.75	45.30			
Call Money rate	4.25	3.00	Re/Euro	51.27	52.97	PE Ratio : NIFTY	15.11	16.60
91 day T-Bills	4.57	4.78	Re/Yen	0.3965	0.4137	Price to Book Value	2.95	3.24
CDs	4.75-5.68	4.50-7.00	Premium on Forward Markets (3m US\$)	1.01	0.22	Dividend Yield	1.91	1.81
CPs	4.74-6.50	4.81-6.00	Avg. Yield on Govt. securities (10 yrs)	5.28	5.13			

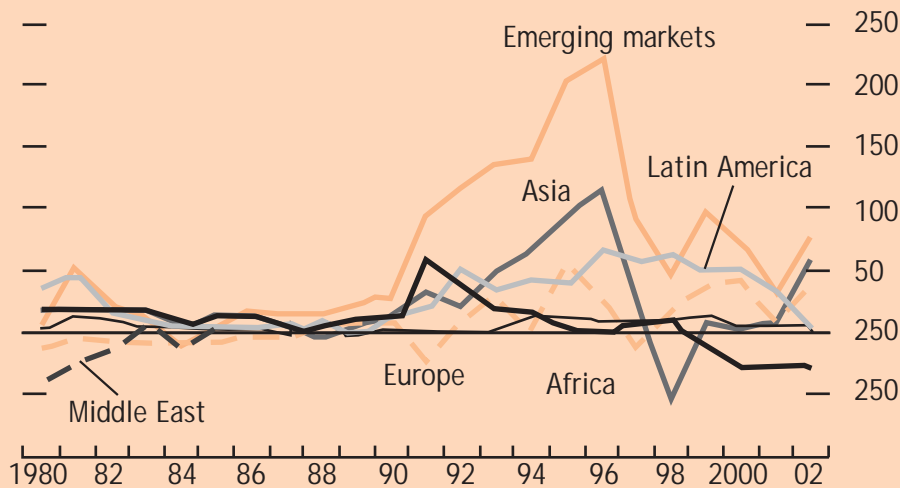
International Economy

Particulars	Austrl	UK	France	Germany	Italy	Japan	US	Euro	China	Malay	Korea	Taiwan	Mexico	Brazil	S.Africa	Russia
GDP	20	1.9	-0.3	-0.2	0.3	30	3.3	0.2	9.1	4.4	1.9	-0.4	0.2	-1.3	1.8	7.2
Interest Rates	5.11	3.92	-	-	-	0.02	1.03	2.16	-	3.05	4.15	1.05	4.48	18.85	8.15	16.00
Consumer Prices	2.6	2.8	2.1	1.1	2.6	-0.2	2.3	2.1	1.1	1.1	3.7	-0.1	4.0	15.1	3.7	14.9
PLR(%)	-	3.75	-	2.5	-	1.375	4.25	-	-	-	-	-	-	-	-	-
Forex reserves (\$bn)	-	-	-	-	-	-	-	-	383.9	37.7	141.5	196.6	52.1	47.8	6.5	59.0
Currency Units/\$	1.41	0.59	0.87	0.87	0.87	1.10	-	0.87	8.28	3.80	11.87	3.40	11.0	2.86	6.94	2.98
Year ago	1.78	0.64	1.00	1.00	1.00	1.22	-	1.00	8.28	3.80	12.27	3.46	10.20	3.60	9.9	3.18
Stock Index current	3282.4	4287.6	3373.2	3655.99	19355.0	10559.6	9801.12	858.26	3368.7	817.12	782.36	6045.12	8064.8	17982.5	9765.30	506.12
A month ago	3176.2	4091.3	3134.9	3256.78	18450.0	10219.0	9275.06	790.82	3379.9	733.45	697.52	5611.4	7822.48	16010.7	8925.69	566.62
Year high	3310.6	4368.8	3422.8	3668.67	19415.0	11161.7	9812.96	858.26	3877.8	817.12	785.94	6108.13	8064.8	18448.7	9854.68	643.30
Year Low	2673.3	3287.0	2403.04	2202.96	15125.0	7607.88	7524.06	580.84	3118.5	619.22	515.24	4139.50	5745.66	9994.89	7361.15	336.08
Record high	3440.0	6930.2	6922.3	8064.97	-	38915.9	11722.9	-	-	1314.16	1138.75	5451.80	8319.67	18951.5	-	-
PE ratio	20.1	16.3	16.2	12.0	15.3	39.9	22.5	-	2	16.7	11	21.8	14.5	10.5	11.3	6.9

Sources: Center for Monitoring Indian Economy, The Stock Exchange, Mumbai, Reserve Bank of India, Financial Times, The Asian Wall Street Journal, The Economist, London. 1. Closing rates; 2. Last auction rates of 91 TBs.; 3. Forecasts of GDP Growth by The Economist; 4. Short term interest rates; 5. Stock market indices; Australia: All Ordinaries; Brazil: Bovespa; China: Shanghai B; France: CAC40; Germany: XETRA Dax; Italy: Mibtel General; Japan: Nikkei 225; Britain: FTSE 100; United States: Dow Jones Industrials; Malaysia: KLSE Comp; Mexico: IPC; Russia: RTS; South Africa: JSE All Share; South Korea: KoreaCmpEx; Taiwan: WeightedPr. Latest data available for the month; 6. Year 2003.

PORTFOLIO

**Net Private Capital Flows to Emerging Markets
(In billions of U. S. dollars)**



Source : IMF, World Economic Outlook.

The volatility of net private capital flows to emerging markets since 1990 can be examined from the perspective of the overall level of the flows, the various sub-components (such as foreign direct investment), and the regional distribution of the flows. Starting from their lowest level of the 1990s, overall net private capital flows experienced a sharp cyclical upswing until 1996—peaking at about \$222 billion in that year. Subsequently, private flows declined and fluctuated around \$70 billion annually. Overall net private capital flows during 1990–96 were over five times the level of flows for the whole of the 1980s.

CURRENT NEWS

The Stock Exchange of Thailand (SET) will soon provide an alternative for investors by trading bonds issued by listed companies. The bond trading is expected to be available by the end of the year, 2003.

With a view to expediting investigation and enquiry process, SEBI has proposed to do away with the personal hearing before the SEBI chairman or the SEBI board member.

AMFI has come out with a set of norms intended to discourage mutual funds from helping investors to carry out dividend and bonus stripping through structured products.

The Ministry of Finance has recommended that bourses cannot use their reserves and assets to pay dividends to member brokers, issue shares to them or provide for their trading rights.

COMMENT

To regain the public trust, auditors must put investors, not management, first, even though manager pay the fees. Where there is a tough call to make on whether to disclose certain information, decisions must be based on what serves the interests of the investing public.

Arthur Levitt

Former chairman of The Securities and Exchange Commission.

BSE NEWS



Mr. Giorgio Pozzi, Hon'ble Minister for New Economy, Handicrafts, Research and Technology Innovation, Italy, and official dignitaries from Region Lombardia visited The Stock Exchange Mumbai on November 24, 2003. He discussed the recent developments of Indian capital market and possibilities of strategic alliances between the Italian and Indian capital market with Dr. Bandiram Prasad, Chief Economist and CGM, BSE.

CALENDER FOR NOVEMBER AND DECEMBER 2003

Programme	Dates	Fees	In 2002-03, BSE Training Institute conducted 130 programmes attended by 4200 participants.	Programme	Dates	Fees
IPOs Procedures & Processes	November 5 & 6	Rs. 7,500		BSE's Certificate Course on Stock Markets (BCCSM)	Commences on Dec. 1	Rs. 3,250
Interest Rate Futures	November 14 & 15	Rs. 7,500		Derivatives in Gujarati IPOs Procedures & Processes	December 2	Rs. 600 Rs. 7,500
BOLT Operations	November 15	Rs. 1,000		Debt Markets	December 5 & 6	Rs. 3,000
Fundamental Analysis	November 19 & 20	Rs. 1,850		Finance for non-finance executives	December 12 & 13	Rs. 3000
Basic Derivatives	November 21 & 22	Rs. 2,250		Compliance Requirements for Member Brokers	December 13	Rs. 500
Technical Analysis	November 21 & 22	Rs. 1,850		Basic Derivatives	December 19 & 20	Rs. 2,250
Advanced Derivatives	November 28 & 29	Rs. 3,000		Financial Innovations	December 20	Rs. 2,000
Foreign Exchange Risk Management	November 28 & 29	Rs. 3,000		Demat & Depositories Operations	December 1 to 4	Rs. 4,000
Commodity Trading	November 18	Rs. 2,500				
Compliance Requirement for Member Brokers	November 11, 18 & 25	Rs. 500				
Certificate Prog. on Capital Markets (CPCM)	Commences on Nov. 24	Rs. 10,500				
Demat & Depositories Operations	November 10 & 13	Rs. 4,000				

● Any Student or a group of minimum 20 persons shall attract a discount of 25%. ● Corporates nominating 5 participants for the programme can nominate the 6th person free of cost. ● FINTECH ANALYSIS ADVANTAGE - Registration for both Fundamental and Technical Analysis at the same time will attract a discount of Rs. 450/-. ● DERIVATIVE ADVANTAGE - Registration for both Basic & Advance Derivatives same time will attract a discount of Rs. 750/-. ● The course fees are inclusive of study materials (Lunch, Tea/Coffee for full day's courses only) ● DD/broker member's cheque may please be made in the name of "The Stock Exchange, Mumbai", the same should be payable at Mumbai.

CPCM

CERTIFICATE PROGRAMME ON CAPITAL MARKETS
 A 3- month part-time programme conducted jointly with Jamnalal Bajaj Institute of Management Studies, under which successful participants are awarded certificates from The University of Mumbai
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New York Stock Exchange named John S. Reed Interim Chairman and Chief Executive Officer

The New York Stock Exchange Board of Directors named John S. Reed interim Chairman and Chief Executive Officer (CEO). Mr. Reed, the former Chairman and co-chief executive officer of Citigroup, started his new duties on 30 September.

New Zealand Exchange develops futures & options for New Zealand

The New Zealand Exchange (NZX) signed a deal with Australia's SFE Clearing Corporation for the listing and trading of equity derivative products in New Zealand. The deal enables the New Zealand Exchange to provide a range of futures and options contracts to New Zealand investors through the listing of these equity products on the Sydney Futures Exchange.

Taiwan looks to abolish QFII system and encourage overseas investment interest

Taiwan's Securities and Futures Commission (SFC) has promulgated the abolition of the Qualified Foreign Institutional Investors (QFII) system, the basis on which overseas institutional investors have invested in Taiwan's stock market over the last 12 years. The SFC also allowed foreign investors to issue depositary receipts on Taiwanese shares held by them. The amendments to the SFC's "Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals" began to be implemented from 2 October 2003. Under the new investment framework, foreign investment institutions will no longer be required to obtain approval from the SFC in order to invest in Taiwan's stock market. Instead, foreign investors will only need to file an intention to invest with the Taiwan Stock Exchange before beginning to trade securities in Taiwan.

Chicago Mercantile Exchange plans futures on Consumer Price Index

The Chicago Mercantile Exchange (CME) plans to list futures contracts based on the US Consumer Price Index (CPI). The new contracts will be the first product CME has listed on an economic indicator. While inflation-based securities are quite common in Europe, this market is only beginning to develop in the US. The introduction of these new contracts respond to the investors' need to have a risk management tool for the US inflation-indexed bond market instruments which, in August 2003, had a total outstanding dollar value of about USD 150 bn and represented approximately 6% of the US Treasury securities market.

SEBI tightens rules on sub-brokers

SEBI has barred sub-brokers from issuing contract notes and making payments by cheque directly for share transactions. A sub-broker will now have to mandatorily enter into a tripartite agreement with SEBI registered broker and a client for any sale or purchase of securities.

SEBI revises position limits for FIIs, NRIs

Position limits are imposed to restrict exposure of a single entity in the market to a single stock. According to the SEBI circular, the individual FII position limit for stock option contracts and single stock futures contracts will now be 20% of the market wide limit in cases where that limit is less than or equal to Rs.2.50 billion. For limit over Rs.2.50 billion, FII position limit will be capped at Rs.0.5 billion.

SEBI clarifies regarding payment of turnover fees

SEBI has clarified that for the payment of turnover fees, the period from the date of granting of registration will be considered. The five financial years contemplated for the payment of turnover fees are reckoned with reference to the date on which initial registration is granted by SEBI to the broker under said regulations.

Stock Exchanges are asked to cut exposure limits at broker level

SEBI has asked the SEs to make a series of changes in the member-wise exposure limits and intra-day trading limits. The move is aimed at having complete control over the volatility witnessed in the cash and derivatives segments of the bourses. SEBI has also asked the stock exchanges to be more vigilant and curb any excessive volatility by implementing stringent risk containment measures.

SEBI came up with fresh norms for listed companies

Debt securities issued on a private placement basis by listed companies has to carry a credit rating of not less than investment grade from an agency registered with SEBI. This stipulation forms part of the capital market regulator's new set of norms on issuance for privately placed debt securities by listed companies.

RBI's approval not required to allot preferential shares to FIIs

RBI has issued a circular doing away with the requirement that companies and banks need to get approval from the exchange control department of the RBI before a preferential allotment of equity to FIIs.

FIIs cannot mix own funds with sub-accounts now

SEBI has amended its FII regulations to make it mandatory for them to segregate their own funds and that of their sub-accounts. It has amended SEBI (FII) regulations, 1995, to also make it mandatory for FIIs to fully disclose various details of offshore derivatives instruments such as participatory notes, equity linked notes and others.

AMFI moots 20 investors per scheme

Mutual funds will not have to ensure a minimum number of investors per scheme but also cap the maximum holding any single investor can hold as a percentage of the total portfolio. AMFI has recommended that open-ended schemes should have a minimum of 20 investors and that any single investor cannot hold more than 25% of the total portfolio of the scheme.

Separate firm for commodity derivatives

The Ministry of Finance has brought commodity derivatives under the Securities Contract Regulation Rules. It notified that no member could conduct business in commodity derivatives, except by setting up a separate company, which shall comply with the regulatory requirements, specified by the Forward Market Commission.

Securities Contract Rules amended for commodity derivatives

In line with the recommendation of the K R Ramamoorthy Committee, the Ministry of Finance has amended two main clauses of the Securities Contracts (Regulation) Rules, 1957 of the Securities Contracts (Regulation) Act 1956, which would permit stock brokers as also bank and other entities to trade in commodity futures.

EMERGING MARKETS ASSET CLASS FOR THE FUTURE

Cover Feature

With the globalization of world economy, the emerging market economies came up as a major asset-class for the global investors. These economies have witnessed a substantial growth in the portfolio flows from the industrial economies. Categorically, Asia attracted the major chunk of the funds, proving it to be the prospective investable ground for the coming years. Emerging markets are on the rise once again. The pace of progress is similar to the early 1990s when the growth and expansion of the emerging markets has been very rapid and intense. A few features of the recent performance of the emerging markets include:

Sharp increase in the equity prices. Most notable being **Brazil: 100%; Thailand: 104%, India: 58%; Chile: 64%, Indonesia 58%. MSCI Emerging Markets Fund has risen about 43%. Even the recently troubled economies such as Turkey (76%), Argentina (116%), Venezuela (141%)** too showed sharp rise in equity prices. As against this, S&P 500 rose 20%. On a regional basis, one year US\$ based returns this year are highest in Latin America (59%), followed by Eastern Europe (54%); and Emerging Asia (36%). Average return from emerging market equities till October on an annualized basis was 43 percent as against 23 percent gains from global equity holdings. Out of the world's 500 largest offshore funds, 8 of the top 10 performers were in emerging markets.

Rapid Renewal of Inflows

Emerging market fund received inflows to the tune of US\$10 billion this year so far as against outflows of \$99 billion last year. Projected net equity inflows are expected to be US\$17 billion in 2004 after \$13 billion in 2003 from a net outflow of \$one billion in 2002. Region wise Asia is expected to get a major

chunk of \$13 billion in 2004. China and Korea account for about \$10 billion of these.

Scope for Growth

The Average PE ratio for emerging markets is 13.6 as compared to 22 percent in the United States.

Reduction in Risk

The spread between emerging market bonds and US treasuries in narrowing. EMBI+ spread reduced to 577 in 2003 from 756 in 2000

Higher Economic Growth

Surge in economic growth. Real economic growth in Latin America is poised to grow to 3.3 % in 2003 as against 0.7 in 2003; Europe 4.4 percent in 2004; Africa and Middle East from 3.2 to 3.6; Asia Pacific from 6.1 to 6.3 (2003 to 2004). Fiscal deficits remained at lower levels

A few other positive factors

Sizeable cleaning of the corporate sector balance sheets post crises

Better norms of corporate governance and implementation
Strong growth of internal demand that stimulating real economic growth

Renewed interest of foreign institutional investors

A few Negatives

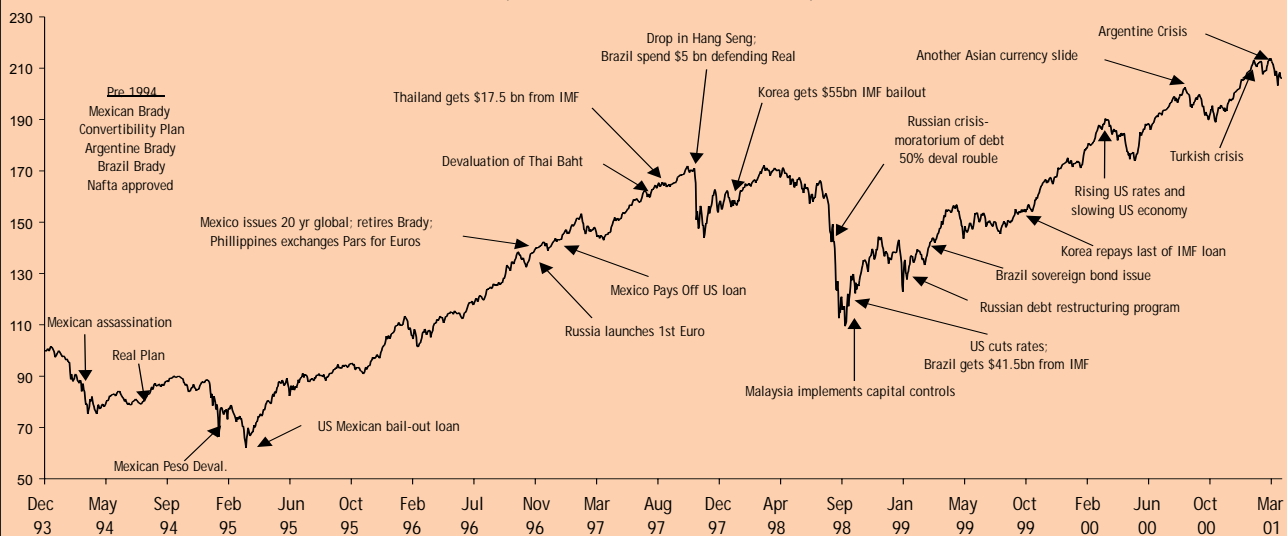
Traces of SARS return

Interest rates in US might go up which could have impact on the bond markets.

High levels of personal debt might jeopardize growth if bankruptcies rise

JP Morgan Emerging Market Bond Index

(Total return index, Dec 31, 1993=100)



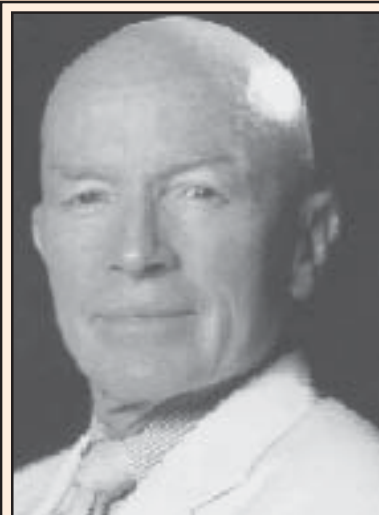
Interview

MARK MOBIUS ON PROSPECTS FOR EMERGING MARKETS

Dr. J Mark Mobius

*Managing Director,
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Dr. J. Mark Mobius

We expect emerging markets to continue to out-perform developed markets, so if an investor is willing to accept the perceived higher risks of emerging markets, then they should invest.

1. Emerging-Markets-Investments gained momentum in 2003. What are the fundamentals behind?

The main driving forces were (1) improved outlook for global economic growth (2) very good growth prospects in the emerging markets (3) the massive undervaluation of emerging markets companies versus developed markets companies, (4) improving outlook for the emerging markets as a result of continued reforms being implemented and (5) undervalued currencies vis-a-vis the US\$ and Euro.

2. How strong and lasting are these fundamentals?

Some investors are afraid it's a new bubble like the Internet story. Although several emerging markets have risen quite sharply this year, they are coming from a very low base and have a long way to go. It's the same old story: 10 to 1, a 90% decline. 1 to 2 and 100% increase. The Southeast Asian markets for example, have fallen so much in the past six years that in spite of the good performances this year, they have to rise by another 300% or 400% before they reach their previous highs. Valuations still look attractive. P/E ratios are low, and dividend yields remain attractive.

3. Emerging Markets were booming ten years ago. Their volatility was highly underestimated. Investors had to bear heavy losses. Isn't there a risk this story repeats?

There is always the risk that something bad like September 11 would happen to abruptly put a halt to the current global economy recovery. But such events will always have a temporary impact just like the SARS situation. From the valuation perspective however, the emerging markets do not look risky at this point in time. In fact, they continue to look quite attractive.

4. Aren't most of the stocks already overrated at the present levels?

No, we don't think so. In fact, based on price-to-earnings, price-to-book, dividend yield, etc., many of the emerging markets companies continue to look attractive.

5. Are Emerging-Markets-Investments a must for every portfolio?

It really depends on the investor's appetite for perception of risk and how much he believes what he reads in the sensational press. (News about SARS in Europe sounded like the black

death had arrived and millions would die. Of course, this was all very much exaggerated.) Emerging markets have always been viewed as more volatile than developed markets and hence more risky, even though recent statistics have shown that volatility of the emerging markets have fallen sharply in recent years and is actually lower than single developed markets like NASDAQ. We expect emerging markets to continue to out-perform developed markets, so if an investor is willing to accept the perceived higher risks of emerging markets, then they should invest. Having emerging markets in one's portfolio adds to the diversification and actually reduces portfolio risk.

6. Are there essential regional differences in terms of yield- and risks-perspectives?

Each region has its own attractions. Asia for example, is going to experience very high growth. In Central and Eastern Europe, the theme is convergence with Western Europe while in Latin America, we are able to buy assets very cheaply.

7. During the last years, Asia was hit by the big financial crisis, the weak Japanese economy, terrorist attacks and finally by the outbreak of Sars. Are these problems fading away, making place for a brighter and safer future?

We believe that these crises have actually helped to make the Asian markets stronger and better. The Asian Financial Crisis resulted in massive market and legal reforms in countries such as Indonesia and Thailand. Banks in Thailand were not able to foreclose on bad loans in the past but with changes in the bankruptcy laws, it is now possible for them to seize collateral. Corporate governance and transparency is now much better. The crises have forced weak businesses to either change their practices, merger with others or go out of business. In a sense, the Asian markets have significantly improved as a result.

8. Do you recommend to focus on big economies like China or India, or to diversify within Asia? How about Japan, Korea, Singapore, Thailand, Malaysia, Indonesia, Pakistan?

We do not restrict ourselves to just the big markets because very often, the best bargains are to be found in the overlooked,

smaller markets. We search the entire region for bargains, leaving no stones unturned in the process. We do not invest in Japan because that is not part of the emerging markets but all of the other markets mentioned are on our radar screen.

9. The Japanese economy is of crucial importance for the economies of most of the Asian countries. Japan appears to recover slowly. But how solid is this recovery? Will it really last and go on?

It looks like the government is finally getting serious about cleaning up the banking system. If they can clean up the banks, they will put the economy on a solid footing for sustainable growth. Mr Koizumi's recent victory at the LDP elections will be a big boost to the process. The confirmation of Mr Heizo Takenaka as the Financial Services Minister is a sign of how serious Mr Koizumi is to ensure that the process stays on track.

10. The upgrade of Russia to investment grade by Moody's rating agency in October and the coming expansion of the European Union could direct investors attention to Central Europe. There is also a risk that production is shifted from industrialized countries to Eastern Europe or Russia, or even from Asia to there, which would affect the growth of the Asian economy. What risks and chances do you see in this region?

We see a lot of opportunities in Central Europe. The investor interest that you talked about is already taking place. BP recently make a huge investment in Russia. Many other European companies have done the same. Such shifts should benefit industrialised countries in Europe as it allows them access to cheap resources, reducing their costs. The acquisition and merger of assets such as telephone systems would certainly create synergies. We don't see significant impact of this on Asia because the strengths of the Central European economies are very different from those of Asia. The Russian economy, for example, is driven by the oil and gas industry whereas the majority of Asian economies are net oil importers.

11. What do you expect the impact of a lower dollar rate to be on the Asian economies on one hand and the performance of Asian stocks for European investors on the other? Won't the US do everything to boost their own economy at the cost of the Emerging Markets?

A lower US dollar would have significant impact on Asian exporters. The US remains a key market for Asia and a lower dollar would make Asian imports more expensive. On the other hand, the US is also well aware of the amount of funds that are flowing from Asian central banks into US treasuries. A falling dollar would deter further investments and would result in sharply higher interest rates in the US. We believe there is some room for the US dollar to depreciate, meaning if the value of the dollar falls gradually over a period of time, then the Asian countries can adapt. A sharp, one-time drop would of course hurt Asia. We should also note that China is become an increasingly important market for the rest of Asia. Asian exports to China have risen sharply in the past five years. Within a decade, we think the Chinese market will overtake the US as the top destination for Asian exports.

12. How do you explain Asia's performance this year?

The main driver was the fact that the markets started on such a low base and domestic and foreign investors bought into highly undervalued markets. Also the fact that risk as such was newly defined for developed markets i.e. Enron and the likes, the risk perception in emerging markets shifted. Furthermore, the fact that many of the companies are today paying decent dividends attracted investors looking for yield. Our global portfolios have an average annual yield of 3% vs. 2% for the indices. Finally, as we newly defined for developed markets i.e. Enron and the likes, the risk perception in emerging markets shifted. Furthermore, the fact that many of the companies are today paying decent dividends attracted investors looking for yield. Our global portfolios have an average annual yield of 3% vs. 2% for the indices. Finally, as we have been saying for some time now, currencies in Asia have been undervalued and continue to be undervalued. They are now beginning to strengthen against the US\$. All said the most significant underlying growth driver is the good business climate in Asia and strong earnings growth.

13. To what extent are the performances of individual Asian markets correlated?

Although many Asian countries have increasingly expanding trading links, the correlation between markets is low because the domestic investors in these markets are becoming more and more important and are participating increasingly in the markets. It is thus absolutely vital for a successful investor to understand the differences and characteristics of the individual markets. More importantly the correlation between Asian and developed markets is on a low level which indicates that investing in Asia result in a more effective diversification for international investors.

14. It is said that of all the different emerging market regions (Asia, Latin America, Eastern Europe...), Asia is the one that holds the most promise in terms of market performance. Why is this so?

Because of 1) attractive valuations, 2) improved corporate transparency, 3) good managements, 4) improving capital market conditions, and 5) governments who are friendly to businesses, particularly foreign investments and who encourage such investments with preferential taxation, good infrastructure and other attractions.

15. What's your view on Indian markets in relation to your Emerging Market investments ?

From a longer-term point of view, we would like to do a lot more in India. The question is valuation, but more importantly the government's commitment to privatization. If you look at the world emerging markets, India figures as high as China in some respects, but the question is how much equity can we get at a reasonable price. If you compare it with China, the Chinese valuations are much lower, but very often management capabilities in India are superior to those in China. So, we are looking at both sides. In the longer-term we would like to do much more in India, but right now we are just market-weight.

MUTUAL FUNDS STRATEGIC INITIATIVES

MANISH BANSAL
Assistant General Manager, SEBI

Innovation

Mutual Funds opportunity zone has tremendous potential for organic growth. But, unfortunately, everyone in the market seems to be looking at the same thing and ignoring the same thing. Participants in this market must become the opportunity seeking missiles exploring path breaking initiatives to lead the revolution.....

Mutual Funds (MFs) play an extremely crucial role in an economy. They are the vehicles for mobilization and channelization of funds towards the Securities Market, which has become the barometer of an economic health. In India, Mutual Funds have shown the continuous improvement in terms of the quantum under their management over the last couple of years. Total Net Assets of the M.Fs have grown from Rs. 68,193.08 crores in 1998 - 99 to Rs. 121,039.70 crores as on Aug. 31, 2003.

Along with host of advantages in terms of diversification of risk among the investors and resource pooling benefits, Mutual Funds impart required expertise and technical capabilities to the investors. They provide a structured approach to investments, which is expected to offer investors a return better than the market return.

Having seen good growth in the past, now, participants in the opportunity zone seem to be struggling to find the path to the growth. This work concentrates on the analysis of some related issues and the ideas (presented in the form recommendations) on how to pave the way for the fundamental and unprecedented growth in the opportunity zone.

Recommendation 1 - Migrate from "Industry" to "Opportunity zone"

Today, in any market, industry boundaries have become fluid beyond anyone's imagination. Crazy guys are demolishing industry boundaries on continuous basis to explore the values buried in their inter-linkages. Presence of these mavericks in the market place has made the blood bath almost a virtual phenomenon everywhere. These nonlinear guys are trying to redefine the market place by their path breaking innovative approaches to the industry paradigms, wherever possible. Therefore, industries are expanding their horizons and marrying their neighbors to create the opportunity zones without limitations.

In other words, the word "industry" is restrictive in nature and does not truly reflect the expanding horizons of various businesses. Accordingly, the very first thing I would suggest to the market participants is to migrate from "industry" mindset to the "opportunity zone" mindset. As these two are substantially different perspectives, they make market participants look at the different spectrum of opportunities.

Recommendation 2 - Revisit M.Fs' core competence

Let us visit the core competence of a Mutual Fund. Mutual Fund is essentially a fund collecting money from the investors having the common objective/pursuit for investment in the Securities Market. Now, a fundamental question is - why this objective/pursuit is limited only to the securities? Why not for commodities, bullion, weather, credit risk, currency or what not? Practically, anything and everything would come under this broad ambit. It is all about changing the perception and giving a fresh look to the competence domain and saying look I can pursue a bigger objective; I can go beyond securities. A pursuit for the real estate funds is a movement in this direction. But, my sense is that underlying may virtually be anything and this paves the way to the great opportunities for the Mutual Funds.

The point I want to drive down is that Mutual Funds need to reposition themselves in a bigger canvas as the collective investment Schemes. Indeed, mutual funds are collective investment schemes,

which are dedicated to the securities market. Now, Mutual Funds need to pose a question to themselves - whether their core competence is securities market or the management of collective schemes? If the answer is securities market, obviously there is no room for the horizontal expansion. But, if the answer is management of collective investment schemes, then the opportunity ambit is enormously huge as the collective investment schemes may be run for the garden, gym, club house, rent a car business or anything else in the world.

I appreciate that the nomenclature "collective investments schemes" sends the shivering waves among the investors as they always relate this to those plantation schemes, where they have lost crores of Rupees. But, that is past and market participants and investors may not live today and tomorrow observing that lousy past. Therefore, participants in the industry need to understand that the only way to grow is to explore the opportunities across the segments, think differently and position strategically in that opportunity zone. Here, nothing but the genuine introspection by the market participants and honest communication with their investors would work best.

Another way to look at the issue is that Mutual funds are the place, where investors park their funds for both short term and long term. Coming from that perspective, don't we see the Mutual Funds competing with the Banks, Financial Institutions, post office deposits and other conventional means of parking funds..... If participants in the Mutual Funds opportunity zone agree with this point, they need to rethink on their strategies to deal with their customers. But, if they don't, there is some fundamental problem with the way they look at the business...

Recommendation 3 - Lead through innovation

I strongly believe in the philosophy that there is enough room in any market, whatever competitive and crowded it may be, for the innovative souls. Unfortunately, in Indian market, all Mutual Funds have been chasing the same set of investors with same set of products and same set of inducements. There seems to be a very little differentiation in their product offerings. I think, the product differentiation is the first step towards escaping competition and acquiring the temporary monopoly in the market. Then, the players need to strategize to make this temporary monopoly a continuous phenomenon through constant path breaking initiatives. It is all about strategy to lead through differentiation.

Market participants should use strategic product differentiation as a tool to create competitive advantage. Indeed, they should become the opportunity seeking missiles exploring opportunities across the different dimensions of the economy. Their objective should not be the strategy for survival, it should be the strategy for leadership. I strongly believe that both these perspectives are sizably different and lead to the absolutely different destinations.

Therefore, all in the market need to question the status quo in the opportunity zone; Be the rule breaker at the same time the rule setter. They need to learn to see unconventional to accomplish something unimaginably great through incredible product differentiation. According to me, there are many untapped invisible opportunities for the growth in the Mutual Funds opportunity zone.

Couple of them are as follows:

1. Innovation opportunities on the Exchange Traded Funds (ETFs) front are enormous. Globally, this is a trillion dollar opportunity as of now and fun is that it is still growing. It would be relevant to mention here that American Stock Exchange trades more ETFs than the stocks. India may think about having ETFs linked to

number of underlyings such as Bullion, Commodities, Currency, Metals or anything else. Innovation may proliferate through these imaginative and creative financial products beyond any precedent.

2. Covered warrants may be created to unleash the value creation potential from the idle securities both debt and equity. Even opportunity in the naked warrants with proper margining may be explored by Mutual Funds.
3. Products like index warrants and basket warrants are being architected by the markets, globally. In India, there lies a titanic opportunity for Mutual Funds in these areas.
4. With approval for the Real Estate Funds in place, there is a huge opportunity for Mutual Funds to explore values through investment in commodities, bullion, Metal etc. (Say gold fund or wheat fund). Tomorrow, with full convertibility of currency, even currency funds may be envisaged by the Mutual Funds.
5. I envisage Mutual Funds being integrated with investors through Credit Cards. If Mutual Funds can link their units to the cheques and ATMs they can also link them to the Credit Cards, which is a logical next step. Why no one in the industry is thinking on this line, which has the potential to redefine the competition in the opportunity zone. My sense is that Mutual Funds units would assume the position of the 'Virtual Cash', over the period of time, in all dimensions of life.
6. Mutual Funds should practically become the manufacturing unit for the financial products. They should create innovative structures to cater to the wide range of investors' base in the market; Segmentize the market and tailor products to fit in the specific requirements of the people in those segments. Today, market needs more and more tailor made products.

Everyone in the market would appreciate that any innovation takes some time to click, but once it does, there are precedents, it breaks all the available records. Look at the Book Building process in Initial Public Offerings (IPOs). For couple of years, there was no issue through book building route. But, now the situation is 180 degree different. Most of the issues are through book building route. Therefore, Market Participants need to work on the innovations strategically on persistent basis. Patience would definitely pay in this innovation game.

I would summarize this title by saying that to lead, one needs to be different and to be different one needs to innovate strategically on persistent basis. Only differentiation can help someone redefine the basis of competition and emerge as a leader. Innovation should take the position of a strategic tool for growth among the market participants. Indeed, innovation should become as ubiquitous as quality control and customer care. Therefore, I would urge market participants to innovate relentlessly to lead in the market.

Recommendation 4 - Rebuild investors' confidence

The Shape of opportunity zone, today, is the result of the actions of its participants yesterday and its tomorrow's shape would be determined by today's actions of its participants. Anyone in the market would agree that the gap between the delivery of industry and the expectations of investors has been huge. I am not saying that Industry has not delivered. The present situation may be the result of either the unreasonable expectations of the investors or the performance of the M.Fs being lower than the reasonable expectations. Unfortunately, in either case, participants in the market are the losers with diminishing confidence of the investing community.

Now, first of all, market participants need to explore, if expectations of the investors were wild, whether they themselves sow the seeds of that kind of unreasonable expectations among the investors. If yes, that is essentially the result of poorly managed corporate communication strategy. I think, this is an issue, market participants need to address collectively. Even if one participant in the market does something unpalatable, it spoils the reputation of the whole

industry. That is where the accepted norms or self regulations come in to play. Market participants need to agree to some basic principles of operations and then play on the competitive grounds in the battle field called market. Industry Self Regulatory Organization (SRO) then must ensure that no one in the market plays a foul game. And, if someone does, he/she is no more the part of the group.....

Here, I would like to share one very important piece called Marking to Market (MTM) with regard to the communication to the investors. Marking to market (MTM), which propagates that all the positions of the funds are shown at the current value of portfolio on real time basis is a great piece of innovation when this comes to the risk management. But, when this comes to the performance evaluation of funds on MTM basis, it has created a huge mess in the system. The issue is, marking to market is not letting fund managers take a long term view. Investors are measuring performance of the funds on day to day and moment to moment basis. I think, they need to change their perspective on the subject and understand the risk and return profiles very clearly. Accordingly, there is an urgent need of honest communication between the industry players and their customers i.e. investors.

On the other hand, if the funds did not perform genuinely, then they need to introspect and dramatically improve the quality of their Funds Management. In recent past, debt funds have done fairly well. But, my sense is that their good performance is not the result of some disproportionate competencies of the fund managers; it is just that the market as a whole has been quite generous to them. Let us be brutally honest and assess how many fund managers in the market place really know the extent of risks their portfolios are running; What would happen to these portfolios if interest rates move say 100 basis points up. I am sure, many of the fund managers would not survive in that scenario

.All said and done, for the long term sustainable growth of the industry, it is a must to win the confidence of the investors and there is no way to do it other than through greater transparency, professionalism and properly structured communication between the market players and their customers. Unfortunately, any one in the market wins through serving his customers and Mutual Funds are no exceptions. They need to apply the fundamental principles of corporate governance, be disciplined and have greater sense of fiduciary responsibility towards their investors. "Disclosures and transparency in operations" are not simply the words they are the strategic tools for building the confidence among the stake holders. I would suggest market participants to work on these words vigorously.

Recommendation 5 - Manage risks through derivatives

I recollect that during the survey done by SEBI on introduction of derivatives in the country, couple of years ago, MFs stated that they needed the derivative products yesterday. But, despite the presence of derivatives in the country for more than 3 years now, none of them is there in the market, today. I am surprised that Mutual Funds are not using risk management products (derivative products) available in the market for managing their risks. It would be relevant to mention here that globally, fund managers are being questioned by the investors for not using the risk management products to protect their values.

Issues behind not being active in the market may be many including paucity of competencies and absence of internal approvals. But, whatever the reasons are, they must be settled in no time. Now, India has wide range of derivative products, both equity and debt, available in the market and MFs must come forward to use them to deliver results to the market place. Use of these sophisticated products would definitely impart a competitive edge to a MF over its competitors in terms of delivery to the customers.

Recommendation 6 - Widen geographical spread strategically

One of the important issues according to me is that M.Fs have limited their growth because of their limited geographical spread. They need to expand furiously to augment their resource base. There is tons of

small savings in the rural areas, which is waiting to come to the market.

I have heard M.Fs stating that economics does not allow them to put the resources to create shops in the rural areas. I think, issue calls for some revolutionary thinking at the macro level. The question to be raised here is “whether this is an issue concerning an individual participant or the industry as a whole?”. If this is the industry issue, can the market participants tackle that collectively? Can they break all orthodox barriers of competition and join hands to create an impact in that untouched area, where there seems to be an enormous potential for growth of the industry.

What I am suggesting is a whole new approach to the issue; an emphasis on the words like “strategic alliance, networking and leveraging”. My sense is that industry players must pool down their resources and resourcefulness to deal with this issue. They must leverage on each others’ competencies, get networked and create a shop – “A universal shop for Mutual Funds” across the rural areas. It may not be an Alliance Shop or HDFC shop, it may be just a Mutual Funds shop, where investors would have competitive products to choose from, in a neutral environment, purely based on their competitiveness. This would definitely be a concept innovation for the growth of the industry. Idea may be unpalatable to some conventional thinkers but it is very much pragmatic. Live example for similar concept may be the banking, where banks are competing but, at the same time, joining hands to create the common Any time money (ATM) platforms. This may be an initiative, which can be managed under the auspices of so called industry SRO, which is Association of Mutual Funds (AMFI).

To be honest, horizon of this idea to me is the cosmetic shop in France, called “Sephora”. This shop contains all the branded fragrances available across the globe under one roof. A customer can walk in, test all these brands, compare them and then make the purchase decision purely on the competitive grounds of these brands without any frills attached. This shop is looked at as a “Temple of beauty”, which is undoubtedly a concept innovation. I am looking forward to an industry revolutionary with the similar concept in the Mutual Funds. Can we imagine a shop for the mutual funds, which lists all the Mutual Funds available across the board.

This is, unequivocally, an unconventional approach to the whole issue. But, I think, there is enormous room for this kind of concept innovation in the market. I would like to clarify that I, at no point in time, am saying that don’t compete. Indeed, market participants must compete as competition is the heart of any healthy market. I always appreciate voracious and carnivorous guys in the market, who come and swallow the whole market through their killing strategies. But, I am suggesting the professional competition i.e. competition along with cooperation, where something offers a great collective opportunity to the market participants. Therefore, according to me, it makes immense sense for the market participants to cooperate at some fundamental places and then compete relentlessly.

Alternatively, some one in the market needs to crack the issue through killing strategy on the lines of what Reliance has done in Telecom Market and HLL has done in soap market. My sense is that if a phone or soap can be sold through a paan shop in a rural area, can not we sell the mutual fund units through some similar distribution channel? I strongly believe, we can. What is required is a dream, a mission to exploit that untapped and invisible potential and create an impact. I think, India is pre-dominantly a rural economy and some maverick has to take the lead to redefine the basis of competition through tapping this rural sector in an absolutely unorthodox manner. It may be frightening to many, but, I think that if an idea is not frightening, it can not be either fundamentally different or dramatic value adder as well.

Recommendation 7 - Educate investors aggressively

There is no doubt that Investors’ education is one of the gigantic impediments in the Mutual Funds industry. Cracking this piece strategically would lay down the foundation for the long term

sustainable growth of the opportunity zone. Again, this is a piece, where responsibility of the market participants is a joint one. Scattered attempts of the market players would never be able to make an impact of the size, which the pooling down and collective efforts of the market participants can. Indeed, through this approach, with lesser expenses, impact can really be huge and rewarding for the industry as a whole. Again, I would repeat “Compete but cooperate”. Accordingly, my proposal on the subject would be akin to the proposal on creation of the wide distribution network across the economy i.e. MFs must come together to educate the investors.

While talking about competing and co-operating at the same time, I acknowledge, that is easier said than done. Our own inhibition of not succeeding may not let us take the first step towards it. But, I think, market participants must go ahead and experiment with the idea as one never knows what works until one experiments with that, specially, when everyone in the market says that it is not workable. All great ideas took birth that way...

Here, in this philosophy of co-operation and competition simultaneously, it would be imperative for market participants to share the risks and rewards on the proportionate basis. Any disproportionate share of risks and rewards may create the conflict, which may be an expensive affair for the market as a whole. Therefore, in that situation, it would be important for all participants in the game to commit to be fair and extremely transparent, while playing the game.

Recommendation 8 - Treat investors like customers

Can we look at the investors of Mutual Funds as customers of the financial products and if so, they need to be served the way other businesses are serving customers, globally. Indeed, across the globe, there is a revolution on the way the customers are being treated. Companies are consistently structuring the products to cater to the inarticulated needs of their customers. Same concepts have got to migrate to the investors, who essentially are the customers for financial products. Therefore, players in the market need to offer the investors with wide range to quality products to choose from and serve them with outstanding services. There is a requirement of a paradigm shift in the way the customers are being treated in the financial markets including Mutual funds industry, in India.

Conclusion Strategies are all about shaping future while managing the present. Above normal profits in an opportunity zone may be the result of market failure for the economists, it is definitely the killer application and amazing business model from the perspective of strategists. But, the moot question is how many of us are weaving such killer strategies. Market participants seem to be becoming good at something, which does not work any more in the market place. I think, market participants need to discover new businesses and rediscover the existing ones to continue leading. There seems to be an urgent need for the players in the market to reinvent, redefine and reconstitute themselves to deliver values to their customers.

Opportunities for the growth of the Mutual Funds Industry are enormous but they need to be visualized and acted on vigorously with deep commitments. It is like winning in a chess game on the three moves irrespective of what the counterparty does. But, identifying those three strategic moves and then taking them is something which is not going to be easy for the market players. Further, participants in the market need to embark collectively on couple of pieces as mentioned above, to make a difference in the overall opportunity zone.

I would like to mention that the market participants should not set the limitations around their thinking and imagination by the limited set of available global products. By taking the global products as precedents and benchmarks, we limit our imagination and creativity. Indian market participants must defy limits and go beyond what exists anywhere else in the world. By thinking unlimited, we have a remarkable opportunity to set benchmarks for the global players to emulate and India has that potential.

**Beta, R², Volatility and Returns of SENSEX scrips for one year period
(November 2002 - October 2003)**

Code	Name	Free Float Adj. Factor	Beta Values	Co-efficient of determination (R ²)	Daily Volatility (%)	Returns (1 year) (%)	Weights as on 31/10/2003 (%)
500410	A.C.C. LTD.	0.90	1.18	0.86	2.22	61.42	1.26
500490	BAJAJ AUTO	0.80	0.48	0.95	1.79	116.91	2.83
500103	BHEL	0.40	0.78	0.80	2.11	222.07	1.80
500390	BSES	0.50	0.97	0.95	2.24	147.32	1.26
500870	CASTROL	0.30	0.24	0.06	1.45	-0.63	0.27
500087	CIPLA	0.70	0.48	0.67	1.93	48.10	2.08
500830	COLGATE PALMOLIVE	0.50	0.30	0.52	1.41	10.19	0.36
500124	DR REDDY'S LAB.	0.80	0.57	0.68	2.11	72.10	2.79
500660	GLAXO	0.60	0.20	0.80	1.60	47.66	0.82
500300	GRASIM INDUSTRIES	0.80	0.86	0.89	2.08	184.19	2.40
500425	GUJARAT AMBUJA CEMENTS	0.80	0.75	0.81	1.71	61.88	1.20
532281	HCL TECHNOLOGIES	0.30	1.66	0.37	3.30	32.70	0.72
500010	HDFC	1.00	0.46	0.95	2.13	65.76	4.85
500182	HERO HONDA MOTORS	0.50	0.88	0.70	2.54	48.92	1.35
500696	HINDUSTAN LEVER	0.50	1.06	0.53	1.80	8.92	7.34
500104	HPCL	0.50	0.94	0.46	2.81	54.84	2.13
500440	HINDALCO INDUSTRIES	0.80	0.53	0.88	1.65	121.66	3.10
532174	ICICI BANK	1.00	0.86	0.92	2.34	83.57	5.81
500209	INFOSYS TECHNOLOGIES	0.80	1.62	0.11	3.24	25.18	9.59
500875	ITC	0.70	0.68	0.87	1.46	41.23	5.75
500510	LARSEN & TOUBRO	0.90	0.81	0.92	1.81	115.67	3.48
500108	MTNL	0.50	0.68	0.57	2.71	14.17	1.30
500790	NESTLE INDIA	0.50	0.07	0.69	1.23	2.15	1.04
500359	RANBAXY LABORATORIES	0.70	0.59	0.84	1.60	88.38	4.88
500325	RELIANCE INDUSTRIES	0.60	1.19	0.98	1.77	82.34	15.56
500376	SATYAM COMPUTER	0.90	2.08	0.22	3.35	30.06	3.31
500112	STATE BANK OF INDIA	0.50	1.02	0.84	1.88	110.75	4.87
500570	TATA MOTORS	0.60	1.28	0.96	2.17	158.81	2.74
500470	TATA IRON & STEEL CO.	0.80	1.28	0.96	2.15	186.19	4.04
505537	ZEE TELEFILMS	0.50	1.25	0.77	3.09	67.03	1.08

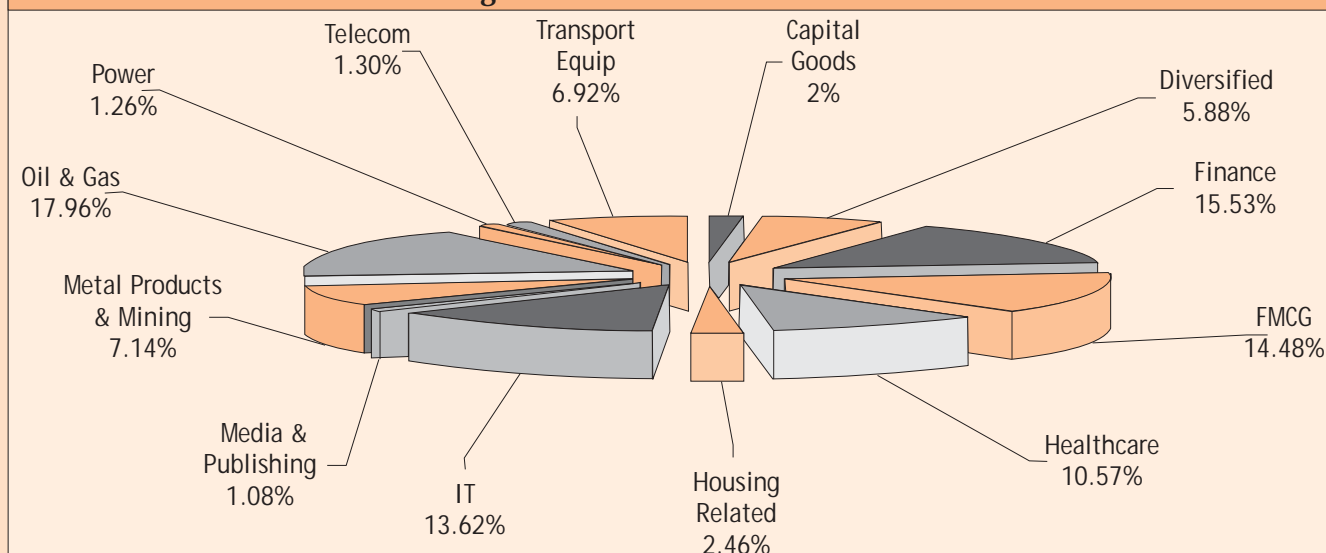
Beta = $\frac{\text{Co-variance}(\text{SENSEX, Stock})}{\text{Variance}(\text{SENSEX})}$

R² = $(\text{Correlation})^2$

Avg. Daily Volatility = One standard deviation of daily returns of individual stock price for last one year

Returns = % variation in the stock price over last one year

Sector Weights of SENSEX as of October-end 2003



Correlation of SENSEX with

INDEX	1 Month (October 03)	3 Months (Aug. 03-Oct. 03)	6 Months (May 03-Oct. 03)	1 Year (Nov. 02-Oct. 03)
BSE-100	0.876	0.982	0.995	0.995
BSE-TEC <i>k</i>	0.842	0.958	0.982	0.699
MSCI INDIA INDEX	0.990	0.999	1.000	0.995
NIFTY	0.983	0.998	0.999	0.998
NASDAQ	0.736	0.879	0.957	0.870
DOW JONES	0.803	0.874	0.933	0.807
S&P500	0.735	0.881	0.891	0.773
FTSE 100	0.769	0.726	0.868	0.653
NIKKEI	0.558	0.765	0.946	0.943

**For data on Financial
Performance and other details
of BSE 500 Companies**

**DIRECTORY
OF
BSE**

500

Key Statistics

of The Stock Exchange, Mumbai

Particulars		Jul-03	Aug-03	Sep-03	Oct-03	Oct-02	Oct-01
1	Volume of Turnover						
i)	Specified Shares (A Group)	(Cr. Rs.) 27268.46	29408.77	38668.60	46269.88	22950.66	21273.16
ii)	B1 Group Securities	(Cr. Rs.) 5241.65	6151.26	5591.43	5879.40	4447.71	579.57
iii)	B2 Group Securities	(Cr. Rs.) 439.92	688.56	373.33	418.36	232.34	63.32
iv)	F - Group Securities (Debt)	(Cr. Rs.) 17.60	73.81	24.14	15.29	9.57	5.45
v)	G - Group Securities	(Cr. Rs.) 0.22	0.06	0.07	0.01		
vi)	Demat Group Securities	(Cr. Rs.) -	-	-	-	-	-
vii)	Z - Group Securities	(Cr. Rs.) 7.85	11.82	40.14	47.60	0.67	0.02
2	Total Turnover (i - vi)	(Cr. Rs.) 32975.70	36334.28	44697.72	52630.54	27640.94	21921.52
		(Bn. Rs.) 329.76	363.34	446.98	526.31	276.41	219.22
		(USD Bn.) 7.13	7.91	9.75	11.60	5.71	4.57
	Cumulative from Jan	(Cr. Rs.) 175865.40	212199.68	256897.40	309527.94	276346.03	420844.17
		(Bn. Rs.) 1758.65	2122.00	2568.97	3095.28	2763.46	4208.44
		(USD Bn.) 38.04	46.20	56.03	68.19	57.13	87.64
3	Average Daily Turnover	(Cr. Rs.)					
i)	Specified Shares (A Group)	1185.59	1470.44	1757.66	2011.73	1092.89	1013.01
ii)	B1 Group Securities	227.90	307.56	254.16	255.63	211.80	27.60
iii)	B2 Group Securities	19.13	34.43	16.97	18.19	11.06	3.02
iv)	F - Group Securities	0.77	3.69	1.10	0.66	0.46	0.26
v)	G - Group Securities	0.01	0.00	0.00	0.00		
vi)	Demat Group Securities	-	-	-	-	-	0.00
vii)	Z - Group Securities	0.34	0.59	1.82	2.07	0.03	0.00
4	Total Average Daily Turnover (i to vi)	(Cr. Rs.) 1433.73	1816.71	2031.71	2288.28	1316.24	1043.88
		(Bn. Rs.) 14.34	18.17	20.32	22.88	13.16	10.44
		(USD Bn.) 0.31	0.40	0.44	0.50	0.27	0.22
	Cumulative from Jan	(Cr. Rs.) 1196.36	1270.66	1359.25	1460.04	1309.70	2013.61
5	Turnover for the month	(Cr. Rs.)					
	High	1924.36	2388.43	2637.68	2790.02	1609.72	1355.49
	Low	1138.92	1413.88	1437.21	692.69***	948.35	864.43
6	No. of Shares Traded	(in Crs)					
i)	A Group (Total)	177.22	202.87	211.89	228.89	106.35	101.74
ii)	B1 Group (Total)	128.96	182.13	114.96	104.21	35.13	10.61
iii)	B2 Group (Total)	50.56	68.65	31.61	22.53	16.69	9.85
iv)	Demat	-	-	-	-	-	-
v)	Z - Group Securities	0.93	2.09	6.03	7.48	0.15	0.00
	Total Shares Traded (I to v)	357.67	455.74	364.49	363.11	158.32	122.20
vi)	No. of Debentures traded	(in Crs) 0.14	8.64	1.17	0.69	0.01	0.02
vii)	G Group	0.00	0.00	0.00	0.00		
7	V-SAT Turnover (incl. in item no II)	(Cr. Rs.) 14035.40	15823.02	19359.43	23262.33	9991.00	11824.00
8	No. of Trades	(in '000s) 17267.26	18096.16	18036.87	18743.62	11366.17	9979.54
	Cumulative from Jan	83667.59	101763.75	119800.62	138544.24	126075.99	110026.26
9	Deliveries (Monthly)						
a)	No. of Shares						
i)	Specified Shares (A Group)	51.23	49.92	48.57	89.66	19.62	
ii)	B1 Group Securities	60.43	79.48	49.29	78.93	10.13	
iii)	B2 Group Securities	32.81	41.80	18.09	17.65	9.05	
iv)	G Group Securities	0.00	0.00	0.00	0.00		
	Total No. of Shares	(in Crs) 144.47	171.20	115.95	186.24	38.80	34.02
	Cumulative from Jan	534.70	705.90	821.85	1008.09	642.07	591.61
b)	Value						
i)	Specified Shares (A Group)	7317.63	7177.73	8652.90	18188.71	3485.41	
ii)	B1 Group Securities	2100.73	2575.00	2186.92	4089.50	629.22	
iii)	B2 Group Securities	252.36	343.52	182.33	332.51	96.27	
iv)	G Group Securities	0.22	0.06	0.06	0.01		
	b) Value	(Cr. Rs.) 9670.94	10096.31	11022.21	22610.73	4210.90	3727.40
	Cumulative from Jan	42404.34	52500.65	63522.86	86133.59	56057.42	75479.20
10	Debenture Deliveries (Monthly)						
a)	No. of Debentures	(in Crs)					
	Cumulative from Jan	0.00	0.00	0.00	0.00	0.01	0.29
b)	Value	(Cr. Rs.)					
	Cumulative from Jan	0.00	0.00	0.00	0.00	0.03	3.86
11	Market Capitalisation (Estimated)						
i)	A Group	(Cr. Rs.) 635358	745379	773706	833275.65	383027	366699
ii)	B1 Group	(Cr. Rs.) 106892	124067	123341	131214.28	143452	82541
iii)	B2 Group	(Cr. Rs.) 17104	19093	14290	14494.04	19236	25929
iv)	Z Group	(Cr. Rs.) 16641	16654	21750	21510.16	18035	6682
	BSE (i-iv)	(Cr. Rs.) 775996	905193	933087	1000494	563750	481851
		(Bn. Rs.) 7759.96	9051.93	9330.87	10004.94	5637.50	4818.51
		(USD Bn.) 167.86	197.08	203.51	220.42	116.55	100.34

	Particulars		Jul-03	Aug-03	Sep-03	Oct-03	Oct-02	Oct-01
12	No. of Trading Days		23	20	22	23	21	21
	Cumulative from Jan		147	167	189	212	211	209
13	No. of Companies Listed							
	Newly Listed		3	0	4	2	0	1
	Delisted		1	8	0	2	57	0
	Cumulative from Jan		5643	5635	5639	5639	5654	5805
14	Newly listed securities of existing companies		40	32	37	37	41	53
	Cumulative from Jan		261	293	330	367	421	406
15	Capital Listed During the Month							
	- Existing Companies	(Cr. Rs.)	331.25	1570.72	714.97	345.49	432.85	967.53
	- Newly Listed Companies	(Cr. Rs.)	185.29	0.00	70.42	811.38	0.00	10.00
	Total	(Cr. Rs.)	516.54	1570.72	785.39	1156.87	432.85	977.53
		(Bn. Rs.)	5.17	15.71	7.85	11.57	4.33	9.78
		(USD Bn.)	0.11	0.34	0.17	0.25	0.09	0.20
16	Amount offered thro' equity (prospectus)							
a)	Total No. of Issues		0	0	3	2	1	0
b)	Par Amount	(Cr. Rs.)	0.00	0.00	302.97	113.90	100.00	0.00
c)	No. of Issues (premium)		0	0	3	1	0	0
d)	Premium Amount	(Cr. Rs.)	0.00	0.00	191.89	140.00	0.00	0.00
e)	Total amount (b+d)		0.00	0.00	494.86	253.90	100.00	0.00
17	Amount offered thro' other instruments (Prospectus)							
f)	Total No. of Issues		0	0	1	0	1	0
g)	Amount	(Cr. Rs.)	0.00	0.00	300.00	0.00	300.00	0.00
18	Total amount offered thro' prospectus							
	Total No. of Issues (a+f)		0	0	4	2	2	0
	Amount (e+g)	(Cr. Rs.)	0.00	0.00	794.86	253.90	400.00	0.00
19	Amount offered thro' equity by existing listed companies							
a)	Total No. of Issues		0	1	3	0	0	1
b)	Par amount	(Cr. Rs.)	0.00	1.50	82.62	0.00	0.00	6.32
c)	No. of Issues (premium)		0	0	3	0	0	1
d)	Premium Amount	(Cr. Rs.)	0.00	0.00	279.14	0.00	0.00	12.64
e)	Total amount (b+d)		0.00	1.50	361.76	0.00	0.00	18.96
20	Amount offered thro' other instruments by existing listed companies							
f)	Total No. of Issues		0	0	0	0	0	0
g)	Amount (Cr.Rs.)	(Cr. Rs.)	0.00	0.00	0.00	0.00	0.00	0.00
21	Total amt offered by existing listed companies							
	Total No. of Issues (a+f)		0	1	3	0	0	1
	Amount (e+g)	(Cr. Rs.)	0.00	1.50	361.76	0.00	0.00	18.96
22	Total amount offered thro' all offer documents (XVIII+XXI)							
	Total No. of Issues		0	1	7	2	2	1
	Cumulative from Jan		11	12	19	21	23	36
	Amount	(Cr. Rs.)	0.00	1.50	1156.62	253.90	400.00	18.96
	Cumulative from Jan	(Cr. Rs.)	2656.61	2658.11	3814.73	4068.63	5134.07	4169.13
		(Bn. Rs.)	26.57	26.58	38.15	40.69	51.34	41.69
		(USD Bn.)	0.57	0.58	0.83	0.90	1.06	0.87
23	BSE Sensitive Index (30 Scrips) (1978-79=100)							
	High		3792.61	4244.73	4453.24	4930.53	3009.76	3061.91
	Low		3554.13	3741.66	4134.15	4455.08	2834.41	2754.95
	Average		3665.46	3977.86	4314.74	4742.32	2949.76	2933.55
	Closing (Month End)		3792.61	4244.73	4453.24	4906.87	2949.32	2989.35
24	BSE TECK Index (2nd April 2001=1000)							
	High		794.46	882.75	1002.77	1077.09	810.31	728.74
	Low		707.03	777.29	879.34	986.07	754.23	563.70
	Average		749.96	814.89	934.16	1023.01	779.87	662.49
	Closing (Month End)		794.46	879.84	1002.77	1077.09	771.80	695.89
25	BSE 100 Index (1983-84=100)							
	High		1894.37	2229.25	2335.65	2516.54	1494.03	1417.17
	Low		1784.54	1907.68	2102.05	2317.57	1413.64	1280.53
	Average		1843.86	2055.64	2242.97	2423.87	1466.79	1357.64
	Closing (Month End)		1893.45	2229.25	2314.62	2485.43	1458.78	1389.17
26	BSE 200 Index (1989-90 = 100)							
	High		472.38	552.51	578.36	622.79	362.43	311.4
	Low		444.17	474.78	522.13	574.64	342.64	281.94
	Average		459.18	510.62	556.13	600.36	354.31	298.70
	Closing (Month End)		471.61	552.51	573.52	615.08	353.71	306.3
27	The Dollex-200 (1989-90 = 100)							
	High		170.52	200.63	210.38	228.64	124.74	107.99
	Low		159.86	171.54	189.49	209.44	117.89	97.45
	Average		165.37	185.09	201.95	220.16	121.95	103.56
	Closing (Month End)		170.17	200.63	208.26	225.96	121.65	106.31
28	BSE 500 Index (1989-90=100)							
	High		1441.04	1687.35	1759.38	1899.57	1079.90	916.90
	Low		1352.19	1449.41	1594.67	1752.02	1021.66	831.16
	Average		1399.31	1560.58	1694.90	1832.53	1056.46	879.77

Particulars		Jul-03	Aug-03	Sep-03	Oct-03	Oct-02	Oct-01
Closing (Month End)		1439.30	1687.35	1748.43	1877.14	1054.14	902.84
29 P/E Ratio (Month Averages)							
BSE SENSEX based scrips (30)		14.73	15.33	15.76	17.07	12.68	14.29
BSE 100 Index based scrips (100)		12.90	13.47	14.24	15.30	10.77	12.88
30 Price to Book Value (Month Averages)							
BSE SENSEX based scrips (30)		2.36	2.53	2.70	2.92	2.02	2.04
BSE 100 Index based scrips (100)		2.10	2.29	2.47	2.65	1.64	1.47
31 Dividend Yield % (Month Averages)							
BSE SENSEX based scrips (30)		2.16	2.09	1.98	1.88	2.42	2.29
BSE 100 Index based scrips (100)		2.68	2.53	2.36	2.22	3.32	2.33
32 No. of Registered FIIs +		511	518	508	513	488	485
33 No. of Registered Foreign Brokers +		38	38	38	38	38	38
34 FIIs Purchases in							
Secondary market in BSE	(Cr. Rs.)	2691	1644	2778	2828	884	1586
Cumulative from Jan	(Cr. Rs.)	10909	12553	15331	18159	16852	20102
	(Bn. Rs.)	109.09	125.53	153.31	181.59	168.52	201.02
	(USD Bn.)	2.36	2.73	3.34	4.00	3.48	4.19
35 FIIs Sales in Secondary market in BSE							
Cumulative from Jan	(Cr. Rs.)	1939	1164	1820	1287	1310	1317
	(Bn. Rs.)	90.32	101.96	120.16	133.03	152.26	137.68
	(USD Bn.)	1.95	2.22	2.62	2.93	3.15	2.87
36 Net FIIs Investments in							
Secondary market in BSE	(Cr. Rs.)	752	480	958	1541	-426	269
Cumulative from Jan	(Cr. Rs.)	1877	2357	3315	4856	1626	6334
	(Bn. Rs.)	18.77	23.57	33.15	48.56	16.26	63.34
	(USD Bn.)	0.41	0.51	0.72	1.07	0.34	1.32
37 FIIs Purchases in Secondary							
market (Equity) (All-India) +	(Cr. Rs.)	8049	7875	11489	14366	2805	3609
Cumulative from Jan	(Cr. Rs.)	36708	44583	56071	70437	38442	44844
	(Bn. Rs.)	367.08	445.83	560.71	704.37	384.42	448.44
	(USD Bn.)	7.94	9.71	12.23	15.52	7.95	9.34
38 FIIs Sales in Secondary market (Equity)							
(All-India)+	(Cr. Rs.)	5702	5784	7638	7569	3582	2893
Cumulative from Jan	(Cr. Rs.)	28450	34234	41872	49441	35841	32118
	(Bn. Rs.)	284.50	342.34	418.72	494.41	358.41	321.18
	(USD Bn.)	6.15	7.45	9.13	10.89	7.41	6.69
39 Net FIIs Investments in Secondary							
Market (Equity) (All-India)+	(Cr. Rs.)	2346	2091	3851	6797	-776	716
Cumulative from Jan	(Cr. Rs.)	8258	10349	14200	20997	2601	12726
	(Bn. Rs.)	82.58	103.49	142.00	209.97	26.01	127.26
	(USD Bn.)	1.79	2.25	3.10	4.63	0.54	2.65
40 FIIs Purchases in Secondary							
market (Debt) (All-India)+	(Cr. Rs.)	501	972	782	846	8	287
Cumulative from Jan	(Cr. Rs.)	6018	6990	7772	8618	2407	4669
	(Bn. Rs.)	60.18	69.90	77.72	86.18	24.07	46.69
	(USD Bn.)	1.30	1.52	1.70	1.90	0.50	0.97
41 FIIs Sales in Secondary market (Debt)							
(All-India)+	(Cr. Rs.)	687	836	458	920	106	118
Cumulative from Jan	(Cr. Rs.)	2223	3060	3517	4437	2715	4381
	(Bn. Rs.)	22.23	30.60	35.17	44.37	27.15	43.81
	(USD Bn.)	0.48	0.67	0.77	0.98	0.56	0.91
42 Net FIIs Investments in Secondary							
market (Debt) (All-India)+	(Cr. Rs.)	-186	136	324	-74	-99	169
Cumulative from Jan	(Cr. Rs.)	3795	3931	4255	4181	-308	288
	(Bn. Rs.)	37.95	39.31	42.55	41.81	-3.08	2.88
	(USD Bn.)	0.82	0.86	0.93	0.92	-0.06	0.06
43 Capital raised through Euro Issues							
No. of Issues *		0	0	0	2	0	0
Cumulative from Jan		2	2	2	4	1	3
Amount Raised	(Cr. Rs.)	0.00	0.00	0.00	1426.61	0.00	0.00
Cumulative from Jan	(Cr. Rs.)	144.15	144.15	144.15	1570.76	242.67	2193.20
	(Bn. Rs.)	1.44	1.44	1.44	15.71	2.43	21.93
(Source - CMIE)	(USD Bn.)	0.03	0.03	0.03	0.35	0.05	0.46
44 Members		712	712	712	712	711	710
Individuals		210	210	209	209	212	217
Corporate (Unlimited Liability) Clause (4) A of Securities Contracts (Regulation) Rules, 1957 Indian Companies		482	482	483	483	479	469
Foreign Institutional Investors		20	20	20	20	20	22
Financial Corporations		0	0	0	0	0	0
45 Dollar Re. Exchange Rate (1 USD - Rs.)		46.2300	45.9300	45.8500	45.3900	48.3700	48.02
46 Scrips Listed		7360	7347	7354	7343	7278	10342

Conversion Table : 1Billion = 100 Crore ● 1 Crore = 10 Million ● 1 Million = 10 Lakh ● 1 Lakh = 100 Thousand
+ FII data except those pertaining to BSE sourced from SEBI

***MAHURAT TRADING



BSE to Issue New Membership Cards

The Stock Exchange, Mumbai (BSE) has decided to admit new membership on "Cash Segment" of the Exchange, by inviting application from all over the country, at a minimum Entrance Fee of Rs. 65,00,000/- (Rupees Sixty Five Lakhs.) on First-Come-First Basis.

The issue of membership cards comes at a time when the stock markets in general and BSE in particular have been showing great progress with vastly increased levels in turnover and sharp improvement in overall business sentiment.

The current issuance of membership cards is unique since the process of demutualisation and corporatisation that BSE is currently pursuing will bestow on the members greater opportunities in terms of not only getting shares of the exchange once it is corporatised, but also the possibility of getting a deposit from the surplus net worth, however subject to the approval of the Government and the regulatory authorities.

Looked in any manner, the current issuance of membership cards could be of great benefit to the members to fully take advantage of the growing optimism and opportunities in the stock markets and make sizeable expansion in their securities business and nationwide trading network.

Full details of the terms and conditions governing the issuance of membership cards could be accessed through our website (www.bseindia.com/card.asp) or in writing/or calling the Membership Department, The Stock Exchange, Mumbai, 23rd Floor, P.J. Towers, Dalal Street, Mumbai 400 001, Tel: 9122 2272 1233-34 (Ext. 8145/8180)

Creation of National Market (Indonext) for Small and Medium Cap Companies

Shares of small and medium cap companies listed on various Regional Stock Exchanges (RSEs) do not have liquidity, due to which investors in these companies are not able to find an exit route. Also, as a result, these companies are not able to raise fresh capital from the markets.

In order to find solution to these problems, the Stock Exchange, Mumbai (BSE) and Federation of Indian Stock Exchanges (FISE), which represents 20 Stock Exchanges in the country, have proposed formation of a national market termed Indonext for small and medium Cap Companies.

In terms of this proposal, shares of companies with paid up capital upto Rs. 20 crores listed and traded on BSE and various participating RSEs would be traded in a national market through single order book on the BOLT system of BSE.

BSE and RSE members would be able to participate in trading in this market, operations of which would be managed by BSE.

BSE and FISE would be jointly submitting a detailed proposal to SEBI, in this regard.

Both BSE and FISE consider this as a major initiative, which would generate liquidity in shares of small and medium cap companies. This would help the investors, companies and the network of about 7000 members of RSEs, who cater to the investors in the far -flung areas of the country, contributing to the development of the capital markets.

This also marks a beginning of stronger ties between BSE and RSEs, for the growth of capital markets in the country.

List of VIP visits in the month of November 2003

SR. NO.	NAME OF VISITOR/DESIGNATION	DATE
1	Mr. Trilochan Kanungo Member of Parliament (LS) Jagatsinghpur, Member Standing Committee, Finance & Commerce, Member - J.N.U. Court	03.11.2003
2	Ms. Cindy Lai Robinson Sr. Fin. Analyst, Ms. Tipten Troidl - Intl. Trade Analyst & Ms. Maura B. Jeffords - Intl. Trade Analyst - US Dept. of Commerce Officials	04.11.2003
3	Lt. General (Retd.) Ajai Singh Governor of Assam	05.11.2003
4	Business Delegates from Philippines - India Business Council lead by Mr. Raju Mandhyan - Inner Sun Consultants, Philippines	10.11.2003
5	Press Persons from Pan European Countries lead by Markus Ruediger	17.11.2003
6	Mr. Giorgio Pozzi Hon'ble Minister for New Economy, Handicrafts, Research & Technology Innovation and official dignitaries from Region Lombardia	24.11.2003



Lt. General (Retd.) Ajai Singh, Governor of Assam, discussing various aspects of developing capital market in the state of Assam, with Dr. Manoj Vaish, CEO & MD, BSE.



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