



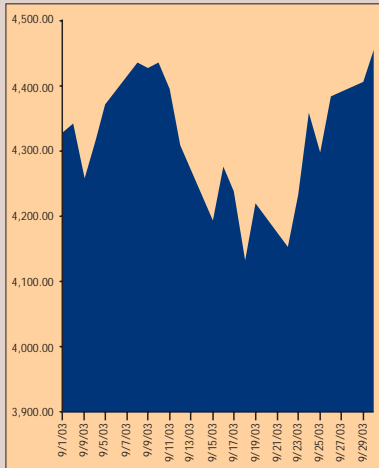
# BSE

## The Stock Exchange

# Review



### Sensex



### The Stock Exchange, Mumbai

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# EQUITY RISK

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# BSE Training Institute

*for knowledge and know-how on capital markets*

**21st Floor, The Stock Exchange, Mumbai, P J Towers, Dalal Street, Mumbai 400 001.**

**Programme On**

# INTERNATIONAL FINANCIAL MARKETS



## Course Contents

### OVERVIEW OF ECONOMY

- Structure of Economy
- Role and Significance of the Financial System
- Regulatory Framework for Financial Services
- Institutional Framework
- Financial Instruments and their

### FUNCTIONING OF FINANCIAL MARKETS

- Equity Markets
- Money Markets
- Debt Markets
- Foreign Exchange Markets
- Derivatives Markets
- Banking and Insurance

**Date : 6th - 25th January 2004**

Mumbai, India and Major Financial Centers in Asia  
viz : Seoul, Hong kong, Shanghai, Singapore, Kuala Lumpur & Bangkok

**Course Fee : Rs. 2.25 Lakhs**

Course Fee includes

Tuition Fees , Study Material, Return Airfare in Economy Class Hotel  
Accommodation and all Meals ,Local Transport And Visit to Institutions  
(for centers outside Mumbai)

In view of adequate time required for completing all the travel requirements, Registration should be received by November 30th 2003.

### PROGRAMME SCHEDULE

**BSE Training Institute, Mumbai : January 6th - 10th, 2004**  
**International Centers : January 11th - 25th, 2004**

For Registration: Send the Demand Draft in favour of "The Stock Exchange, Mumbai", giving details of name and contact address along with email address. For further assistance, please call on 022 2272 1127/26 or 022 2272 1233/34, ( Ext. 8759 / 8303 / 8598 / 8246 ), Fax : 022 2272 3250; Email: training@bseindia.com;

Website: <http://bsetraining.bseindia.com>, [www.bseindia.com](http://www.bseindia.com)



# Review this month

The equity market is a place that churns out huge resources day in and day out. The market is highly sensitive to minor movements in macroeconomic as well as firm level factors and bring in more fluctuations. No market is new to scams and unscrupulous act that hit the market and put it to a greater risk prone zone. It is exposed to substantial risk that affects not only the individual players in the market, but even to the economy as a whole. The stock exchanges, which creates platform to such money churning system comes under more risk. As a result, the risk management at the exchange level has gained much greater importance in the recent days. The exchanges worldwide have taken various risk management measures in order to maintain the safety of the market and to avert defaults in meeting the payment and delivery obligations by the market players at different levels. The Stock Exchange, Mumbai has also upgraded itself to provide a state-of-the-art risk management system that ensures greater confidence for the market players. A detail discussion about the equity risk management in the exchange and its operational aspects has been featured in this issue.

The issue also carries an article that provides a clear understanding of the classification of the scrips in different groups. BSE has also engaged itself in activities pertaining to Corporate Social Responsibility, which has become a buzzword for any forward-looking corporate entity in today's world. A list of initiatives taken by the CSR team has also been featured in this issue.

## INVITATION TO AUTHORS

### 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](mailto: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.

Articles may be sent to the following address:

The Stock Exchange Review  
2nd Floor, P.J. Tower, Dalal Street  
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Tel: 9122 2272 1233-34 (Ext.8045/8570)  
Fax: 9122 2272 3250 Email:[review@bseindia.com](mailto:review@bseindia.com)

## 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	Aug02	Sep02	Oct02	Nov02	Dec02	Jan03	Feb03	Mar03	Apr03	May03	Jun03	Jul03	Aug03
IIP	6.2	6.2	6.6	3.6	4.9	6.7	6.9	5.8	4.3	6.0	5.7	5.6	
Exports (% change yoy)	18.8	15.1	13.9	5.8	34.3	8.7	12.9	14.6	8.1	12.8	10.9	5.7	4.1
Imports (% change yoy)	11.1	29.9	35.4	22.6	24.3	23.9	17.8	24.5	38.7	7.9	38.6	17.0	15.4
Forex reserves \$bn	58.3	59.7	61.2	63.6	67.0	69.9	69.1	71.1	74.3	77.9	78.2	81.2	82.6
Non-food credit	25.5	25.3	24.8	26.2	25.5	27.2	27.8	26.2	26.3	16.4	16.2	15.5	15.2
WPI	3.3	3.6	3.1	3.4	3.2	4.1	5.4	6.0	6.6	6.5	5.3	4.6	3.9
Trade Balance \$mn	-526	-812	-1309	-1318	-709	-638	-441	-776	-1527	-1106	-1613	-1016	-1055

## Markets

Particulars	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	June 03	July 03	Aug 03	Sep 03
Govt. borrowings (Rs. bn)	43.4	96.1	57.2	81.7	90.1	124.43	28.9	84.9	154.4	300.2	154.4	261.4	
Agg. deposits (% change yoy)	17.20	18.17	18.09	17.59	18.57	17.76	16.06	16.22	11.48	12.17	11.82	11.51	12.19
Bank credit (% change yoy)	23.19	23.10	24.22	23.10	23.84	23.32	23.0	22.62	13.32	12.95	11.70	11.49	11.26
Public Issues (Rs. cr)	254.95	555.00	2126.00	237.00	766.59	424.59	350.00	0.00	0.00	993.34	388.00	94.16	504.86
Rights Issues (Rs. cr)	0.00	0.00	0.39	49.22	0.00	79.66	29.52	1.96	0.00	0.00	0.00	0.00	164.86
Private Placements (Rs. cr)	1505.11	2164.99	2019.86	3234.10	3197.66	2161.63	3299.56	586.53	1232.29	2008.07	3692.08	3082.15	2147.30
Overseas Floatations (Rs. cr)	242.67	0.00	198.07	0.00	71.65	0.00	72.50	0.00	0.00	75.00	0.00	0.00	0.00
Assets under management MFs. (Rs. cr)	106929	113153	121393	122600	121805	87190	79464	89238	98124	104762	112841	121040	121778
Corporate Debt Floatations (Rs. cr)	1475	2562	2594	3222	3494	2122	3630	565	1225	1933	3664	3063	2147

## Rates, Ratios, Returns

	Aug 03	Sep 03		Aug 03	Sep 03		Aug 03	Sep 03
Bank Rate	6.0	6.0	CRR	4.50	4.50	PE Ratio : SENSEX	15.33	15.76
Savings bank rate	3.5	3.5	SLR	25	25	Price to Book Value	2.53	2.70
Term deposit rate	5.00-6.00	5.00-6.00	Credit Deposit Ratio	53.38	53.60	Dividend Yield	2.09	1.98
PLR	10.50-11.50	10.50-11.50	Re/US\$	45.87	45.75			
Call Money rate	4.50	4.25	Re/Euro	51.13	51.27	PE Ratio : NIFTY	13.89	15.11
91 day T-Bills	4.74	4.57	Re/Yen	0.3859	0.3965	Price to Book Value	2.71	2.95
CDs	5.25-6.75	4.75-5.68	Premium on Forward Markets (3m US\$)	1.05	1.01	Dividend Yield	2.08	1.91
CPs	5.00-6.65	4.74-6.50	Avg. Yield on Govt. securities (10 yrs)	5.16	5.28			

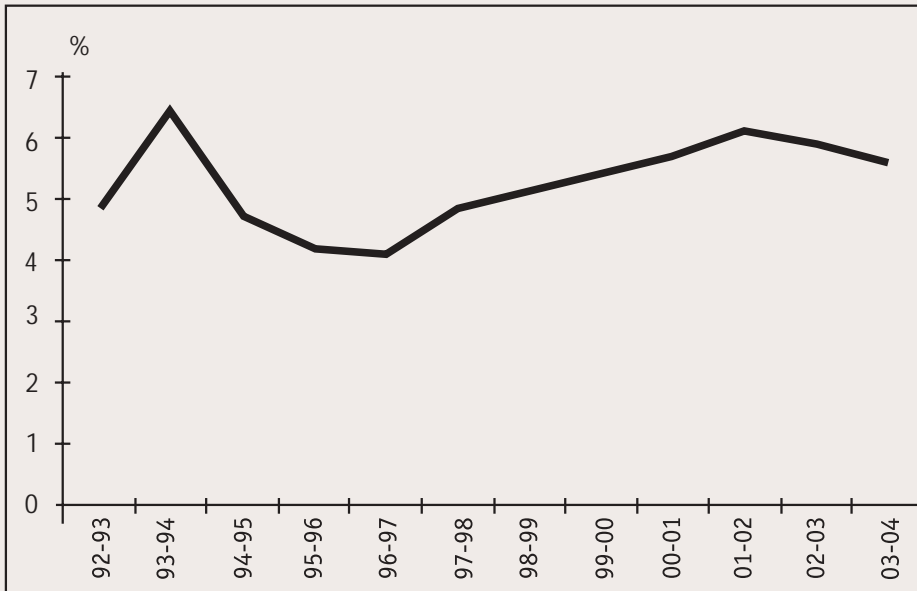
## International Economy

Particulars	Austrl	UK	France	Germany	Italy	Japan	US	Euro	China	Malay	Korea	Taiwan	Mexico	Brazil	S.Africa	Russia
GDP	20	20	-0.3	-0.2	0.3	30	25	0.2	6.7	44	19	-0.4	0.2	-1.3	18	72
Interest Rates	4.95	3.84	-	-	-	0.02	1.06	2.13	-	3.10	3.88	1.05	5.47	19.84	9.20	16.00
Consumer Prices	2.7	2.9	1.9	1.1	2.8	-0.3	2.2	2.1	0.9	1.0	3.3	-0.2	4.0	15.1	5.1	13.3
PLR (%)	-	3.75	-	2.5	-	1.375	4.25	-	-	-	-	-	-	-	-	-
Forex reserves (\$bn)	-	-	-	-	-	-	-	-	364.7	37.6	136.1	185.7	51.5	47.8	6.5	59.0
Currency Units/\$	1.47	0.60	0.85	0.85	0.85	111	-	0.85	8.28	3.80	1150	33.7	11.23	2.84	6.9	30.3
Year ago	1.82	0.64	1.01	1.01	1.01	124	-	1.01	8.28	3.80	1242	35.1	10.20	3.88	10.5	31.7
Stock Index current	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
A month ago	3202.9	4161.1	3311.4	3484.6	18821.0	10343.5	9415.8	789.47	3533.8	743.3	759.47	5650.83	7591.42	15174.5	9226.2	530.94
Year high	3237.5	4314.7	3422.8	3668.67	19415.0	11033.2	9659.13	829.48	3877.8	756.48	767.46	5757.9	7891.67	16899.4	9631.88	573.85
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	-	-
PERatio	19.7	15.9	15.1	11.2	14.5	40.7	21.8	-	10.1	14.8	9.9	20.7	15.2	10.8	10.3	7.7

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: Nikkie 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

## GROSS FISCAL DEFICIT



Gross fiscal deficit has always remained a concerned economic indicator for India. The higher fiscal deficits reflect surge in government expenditure and poor growth in tax and non-tax revenues. Expressed as a percentage of GDP, gross fiscal deficit of India remained lower, reaching 4.1 percent in the year 1996-97, the lowest in the last ten years. Since then, it raved up gradually, worsening the situation to reach the level of 6.1 percent of GDP in the year 2001-02. From then onwards situations are being controlled to pull down the deficit level to 5.9 percent in 2002-03.

## CURRENT NEWS

The NASD's Nasdaq Stock Market and the National Association of Corporate Directors (NACD) have formed an alliance to provide corporate governance educational services to Nasdaq listed companies.

The RBI has banned all investments by OCBs in Indian companies through the portfolio as well as direct FDI routes. The ban extends to deposits and loans made by OCBs to Indian companies.

SEBI has asked Stock Exchanges to ensure that no cash transaction takes place while dealing in securities and has laid down clear guidelines for the use of pro-account trading terminals.

Debt securities issued on a private placement basis by listed companies and sought to be listed on a stock exchange has to carry credit rating of investment grade from an agency registered with the SEBI.

## COMMENT

Developing countries have been taking courageous steps in reforming their policy environment, improving their institutions of governance and in general, widening, deepening and making more equitable the delivery of services to the poor. Timely and productive development assistance as well as increased access to markets are required to complement and strengthen these efforts.

Dr. Y.V.Reddy, Governor, RBI at the Joint Annual discussion by IMF and World Bank

## BSE NEWS



Mr. Malcom Knight, General Manager, BIS visited The Stock Exchange, Mumbai on September, 26, 2003. He discussed the recent developments in Indian capital market and its position in the International finance with Dr. Manoj Vaish, ED & CEO and other officers of The Exchange.

### CALENDAR FOR OCTOBER AND NOVEMBER 2003

Programme	Dates	Fees	In 2002-03, BSE Training Institute conducted 130 programmes attended by 4200 participants.	Programme	Dates	Fees
Investor Awareness Programme	October 7 & 8	Rs. 1,200		IPOs Procedures & Processes	November 5 & 6	Rs. 7,500
Basic Programme on Derivatives	October 10 & 11	Rs. 2,250		Interest Rate Futures	November 14 & 15	Rs. 7,500
Foreign Exchange Risk Management	October 10 & 11	Rs. 3,000		BOLT Operations	November 15	Rs. 1,000
BSE's Certificate Course on Stock Markets (BCCSM)	October 13 to 16	Rs. 3,250		Fundamental Analysis	November 19 & 20	Rs. 1,850
Finance for Non-Finance (New)	October 17 & 18	Rs. 3,000		Basic Derivatives	November 21 & 22	Rs. 2,250
Debt Markets	October 17 & 18	Rs. 3,000		Technical Analysis	November 21 & 22	Rs. 1,850
				Advanced Derivatives	November 28 & 29	Rs. 3,000
				Foreign Exchange Risk Management	November 28 & 29	Rs. 3,000
				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 6<sup>th</sup> 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  
 Next Batch Commencing in November 2003. Course Fee: Rs.10,500/-.



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### RECENT RELEASE



### FORTHCOMING

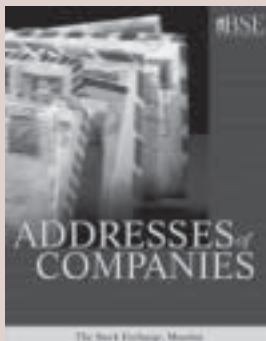
Addresses of Companies (revised)  
 Working of the Stock Exchange (Gujarati).

### FORTHCOMING CD ROMS

Addresses of Companies  
 Directory of BSE Members.

For a complete list of BSE Books, please call 2272 1046/2272 1233-34 (Ext. 8051) Fax: 2272 1334 email: books@bseindia.com

### ON SALE



## CD ROM ON DERIVATIVES

## **Hong Kong Stock Exchange changes its listing rules to introduce collective investment schemes**

On 1 September 2003, the Stock Exchange of Hong Kong has amended its main board listing rules as it envisages to introduce collective investment schemes on the Exchange. The new rules pursue the following purposes :

- create a listing and trading platform for all collective investment schemes that are authorized by the Securities and Futures Commission (SFC) ;
- clarify the respective regulatory roles of the SFC and the Exchange in the initial listing and the on-going regulatory monitoring of collective investment schemes ; and
- streamline the listing process for authorized collective investment schemes.

## **Singapore Exchange introduces trading halt and enhancements to securities market**

With effect from 10 November 2003, the Singapore Exchange will introduce a trading halt feature and other enhancements to its securities market. A trading halt is a short trading stoppage, which is requested solely by the issuer. It is usually carried out on an intra-day basis with a minimum duration of one hour and a maximum duration of three market days. A trading halt can be used for purposes such as the dissemination of material information by issuers during market hours. When a trading halt applies, all orders in the Central Limit Order Book will remain in the system until purged at the end of the trading day. Market participants will also be able to perform order management, where they can input orders, amend order quantities downwards and withdraw orders. A trading halt can only be lifted at the quarters of an hour. When lifted, all executable orders will be matched at a single price before trading commences.

The **Chicago Board Options Exchange (CBOE)** will launch futures and options on the CBOE Volatility Index (VIX). These products, based on the volatility of S&P 500 Index (SPX) options, will be the first in a new family of volatility products to be listed on the recently approved CBOE Futures Exchange.

## **Central Listing Authority empowered to recommend on securities**

The Central Listing Authority (CLA) has been empowered to make recommendations to the SEBI on the issues concerning the protection of interest of investors in securities and the development and regulation of the securities market. They can also make suggestions on listing agreements, listing conditions and disclosures to be made in offer documents.

## **Pension funds can invest upto 50% in equities**

The Centre has allowed pension funds to invest up to 50% of their funds in equities, and has offered tax benefits. It also announced the setting up of five-member interim Pension Fund Regulatory and Development Authority (PFRDA) and permitted fund managers to invest abroad.

## **Benchmark PLR for banks**

In a bid to make lending rates favourable to borrowers, RBI is likely to introduce benchmark prime lending rate (PLR) based on various parameters like actual cost of funds, operating expenses and NPAs by October 2003. RBI is going to finalise the weightage for each parameter after discussions with the banks.

## **SEBI revised governance clause**

SEBI has revised Clause 49 of the listing agreement dealing with corporate governance. Companies having a paid up share capital of Rs.30 million and above and net worth of Rs.250 million or more will be required to comply with the requirement of the clause on or before March 31, 2003. Under the amendments, the board of the company should have equal proportion of executive and non-executive directors with not less than 50% of non-executive directors.

## **SEBI wants FIIs to disclose P-note trades**

SEBI has amended regulations relating to foreign institutional investors to incorporate a new code of conduct and inserted a clause seeking disclosure of information with regard to participatory notes, instruments used by foreign funds not registered in the country to trade in the domestic market.

Date	NGO		Event	Guest
2-Aug-03	HelpAge India	a national level NGO working for the cause and care of the destitute older persons	For seminar on 'Crime & Elderly'	Mr. R. S. Sharma, Commissioner of Police- Mumbai, Ms. Shobhaa De, Mr. Arun Walanj, Additional Commissioner of Police, Mr. Shirish Inamdar - State Incharge - CID
4-Sep-03	Save the Children India India	an NGO working on the empowerment of disadvantaged women and children	for their training programme on 'Tips for Effective Proposal Writing and the Steps Thereafter'	
8-Sep-03	Pratham	an NGO promoting primary school education among underprivileged children	for the launch of their 'Read India Campaign'	Vaheeda Rehman, Mr. Vimal Bhandari, Executive Director - IL&FS
12-Sep-03	HelpAge India	a national level NGO working for the cause and care of the destitute older persons	for screening the movie 'Where do I go from here' and launch of the Greeting Card	Naseeruddin Shah, Gen. I. S. Dhillon, Director General - Helpage India
13-Sep-03	Ashoka	a global non-profit organization, working with the mission to inspire and enable entrepreneurial, competitive and global citizen sector	for their programme to Felicitate the Recipients of Ashoka's Citizen Base Investment, 2003	Anil Chitrakar, the Head of Ashoka - Asia, the Panellists included Kimberley Manoo (Head - Corporate Partnerships, GIVE Foundation), Nitin Aggarwal (McKinsey, Delhi), Dr. Swapan Garain (TISS), Shaheen Mistri (Founder-Akanksha Foundation) and Carsten Stendevad (Vice President - Citigroup)
15 & 16 Sept, 2003	World Wide Fund for India	an NGO working for the promotion of nature conservation and environmental protection as a basis for sustainable and equitable development	for their 'Teachers Training Workshop'	Training was given to teachers from various schools
1-Oct-03	Dignity Foundation	an NGO working to cater to the needs of the elderly	For their annual program 'Suraksha Bandhan' on the eve of World Elders Day	Mr. Chaggan Bhujbal - Dy. Chief Minister, Mr. Kiran Shantaram - Sheriff of Mumbai

### Visitors to The Stock Exchange, Mumbai

	Visitors	Date of visit
1	Prof. Lloyd Chingambo, General Manager & CEO of Lusaka Stock Exchange, Lusaka, Zambia	22.09.2003
2	British Conservative Parliamentary Friends of India (CPFIN) delegation	25.09.2003
3	Mr. Malcom Knight, GM, Bank of International Settlements	26.09.2003
4	UK Royal College of Defence Studies delegation	26.09.2003



# EQUITY RISK

S. T. Gerela

Director - Business Development  
The Stock Exchange, Mumbai (BSE)

## Cover feature

The investment, trading and financing of equities involves certain risks. These risks can be identified and suitable measures can be taken to minimize them.

The following factors contribute to the Equity Risk:

- Credit Risk or default of the parties
- Volatility
- Bad Paper
- Technology

Measures to address the above risks:

**Credit Risk:** W.e.f. from April 1, 2003 the trades done on the Stock Exchanges on any day (called Trade day or T day) are settled on the second working day, i.e., T+2. The time given is the bare minimum and essential for the buyers and sellers to arrange for the funds and securities for settlement of trades. To ensure that parties are solvent at the time of settling the trades on T+2, the Exchanges have prescribed the following measures:

**Capital Adequacy:** Member-brokers are required to deposit certain base minimum + additional capital in the manner and form prescribed by the Exchange before they trade on the Exchange. The additional capital can be deposited by the members in the form of cash, FDRS, bank guarantees, approved shares, govt. securities, units of Mutual Funds etc. 50% of the additional capital is required to be deposited by the members in the form of cash or cash equivalent. This is to ensure easy liquidity of the collateral in the event of a member-broker failing to meet his obligations. Further, against the capital deposited with the Exchange, the member-brokers can take gross exposure (i.e., scripwise cumulative net outstanding purchases + net outstanding sales) upto a maximum of 15 times. Timely warnings are given to the member-brokers as soon as they approach their limit and their trading terminal are automatically de-activated once they cross the respective limit.

**Price Risk:** The price risk is inherent to investing in the stock markets. However, the Exchange ensures that member-brokers of the Exchange who puts in trades on its platform remain solvent on the settlement day to either pay for the losses incurred by them or take or give delivery of shares purchased or sold by them. As a risk management measure, the Exchange collects daily margins from the member-brokers on their outstanding exposures, which are required to be paid by them on T+1 day. The margins are collected on the client-wise outstanding positions on the basis of internationally accepted principle of VaR.. Also due to negative price variation, whatever notational or actual losses are incurred by the players, the same are collected by the Exchange from the member-brokers in the form of Mark to Market margin on the next trading day. This MTM margin is in addition to the VaR based margins on the client-wise scrip-wise positions of the member-brokers and other applicable margins.

- **Margins:** For computation of daily margins, the scrips have been divided into 3 groups.

**Group I** consists of scrips traded at the Exchange for more than 80% of trading days in the last 18 months and having a impact cost of less than or equal to 1%.

**Group II** consists of scrips traded for more than 80% of trading days in the last 18 months but have impact cost of more than 1%.

**Group III** consists of the remaining scrips.

Margins are charged on the basis of historical volatility of the scrips and Sensex. Thus, lower margins are applicable on scrips in Group I compared to Group III.

- **Negative variation in the prices of scrips** is collected on next trading day as Mark to Market margin.
- **To take care of specific risk associated with any stock or party:** **Special margins** are imposed on any individual stock where the risk perceived is higher than normal. Also, early pay-ins are collected from the member-brokers whose current financial position may be considered weak or pay-in position may be considered large compared to their normal pay-in obligation.

The Exposure limits on an individual stock or all stocks in a particular group like B1, B2 or Z group etc. are prescribed by the Exchange to contain the market risk arising out of such exposures in such scrips. As per the current rules, a member in BSE is allowed to take an exposure in single scrip in B1 and B2 upto Rs. 2 crores and Rs. 1 core respectively in a single settlement on payment of normal applicable margins and upto Rs. 4 crores and Rs. 2 crores respectively on payment of Special Adhoc Margin of 25% over Rs. 2 crores and Rs. 1 crore respectively. In "Z" group, a member-broker can take exposure of Rs. 25 lakhs in one single scrip and in all "Z" group scrips upto Rs. 1 crore in a single settlement.

The reduction of settlement cycle to T+2, introduction of client code based margin on VaR principle, coupled with proper monitoring of the outstanding positions of the member-brokers, etc., have reduced the credit and price risks to a great extent. In other words, the safety of the market has considerably improved as a result of the above measures.

- **Trade Guarantee Fund:** In spite of the above measure, should any default by a member-broker in meeting his settlement obligations for the trades done, his counter party member-brokers are fully protected by the Exchange. Such a protection is provided through Trade Guarantee Fund set up by the Exchange. Size of the TGF of BSE was Rs. 710 crores as on July 31, 2003.
- **Bad Paper:** With the setting of depositories and progressive dematerialization of securities listed and traded on the Exchange, risk arising out of bad paper has been largely eliminated from the Secondary Market in India. Now as high as over 99% of the trades on the Stock Exchange are settled on demat basis, where the risk of bad paper is either nil or negligible. The risk of bad paper in physical shares is mostly confined to the "Z" group scrips or scrips sold by investors through an exit route where they are allowed to sell upto 500 shares in physical form where delivery is compulsorily required to be made in demat form.

- **Technology:** Unlike the earlier scenario, where trading was an open outcry basis, and settlement was partially computerized, the trading and settlement on the Stock Exchanges is currently done on computerized systems. In order to ensure that the participants are protected in the event of errors and omissions on their part, the Exchange has obtained a comprehensive insurance cover. The policy, inter-alia, also covers computer crimes.

**Risk Management by banks extending finance to the Stock market players.**

The banks generally extend finance to the member-brokers of the Stock Exchanges on the basis of the assessment of their credit needs, which include their turnover etc. This assessment also includes study of their Balance Sheet & Profit and Loss etc.

However, typically the bank financing to the stock market players and other borrowers, who wish to avail of loans/ advances against shares, is done against collateral in the form of shares. The margin on shares as collateral varies from bank to bank. Since the valuation of the collateral in the form of shares changes rapidly, the following measures may be adopted to effectively maintain the value of the portfolio of the shares kept as collateral:

**Liquidity assessment of the scrip:** The eligibility of scrips should be decided on assessment of the liquidity should be done not only in terms of the turnover, but also number of shares traded and number of trades. Such assessment would be required not only at the time of sanction of limits but also on a periodic basis. For deciding the margins on individual stocks, the impact cost analysis periodically conducted by the Exchanges may also be considered.

**Collection of Negative variation:** In case the value of shares has fallen below the benchmark collateral level, the shortfall should be recovered from the borrowers immediately. This exercise of generating margin calls should be done on a continuous basis. The collection norms like periodicity, payment methods etc. for such shortfalls need to be clearly spelt out to the borrowers. The value of the shares may vary upto any extent in case of highly liquid stocks which are included in Sensex of BSE or Nifty of NSE or scrips in which derivative products are available, as there is no daily circuit filter applicable to these scrips as against daily circuit filter of 20% applicable for the remaining scrips. In case a borrower is not in position to meet the shortfall due to negative variation in collateral within the given period, the banks should sell the shares financed immediately after giving notice to the borrower. Any delay in this regard may prove detrimental to the interest of the bank. A call to replenish the shortfall in collateral should be issued sufficiently in advance before the entire margin is wiped out.

**Quality of financing:** On the stock markets, there are good shares and not so good shares listed and traded. The financing done against the collateral of good shares would be termed as quality financing and would be less risky. The reverse is the case for financing against not so good shares. In order to give indication about the track record of a company, its management, performance, liquidity etc. BSE has divided all listed companies into following groups:

“A” : consists of scrips most liquid and with credible track record.

“B1” : consists of scrips relatively liquid and with good track record.

“B2” : consists of scrips with comparatively low liquidity.

“Z” : consists of the scrips, of companies, which have not complied with various provisions of the Listing Agreement or have a large number of investors complaints pending against them or have not made arrangements for demating of their securities with both the Depositories. The trades in scrips in “Z” group are settled on trade to trade basis and no netting of buy and sell positions of a member-brokers or his client is permitted. In other words, the buy and sell positions in a scrip are required to be settled separately by bringing in money and securities respectively.

The Stock Exchanges also put stock of some companies, where there is sudden unusual variation in price or volume or where there is concentration of buy and sell positions with a few member-brokers or clients, into “Z” category and then trades are required to be settled on a trade to trade basis.

The banks can set a benchmark the securities for determining the hair-cut or level of advances against individual scrips considering above BSE grouping of scrips in to A, B1, and B2. They can also follow the categorization of stocks in Groups I, II and III by the Stock Exchanges for charging of daily VaR based margins on the outstanding position of the members and their clients.

**Exposure limits:** The banks should have clearly laid down policy for taking financing exposure in a specific scrip and an industry sector and client. Further, there should be a facility of continuous exchange of information among various branches to ensure that these limits are not breached.

**Overall MIS:** The financing against shares requires constant overall MIS between various branches and the banks should have strong systems to ensure this MIS.

Since trades in most of the scrips can be settled only by demat deliveries, the banks should accept collateral of shares against advances only in demat form. By doing so, the banks would be in a position to reduce their risk.

It may be pertinent to mention that the equity risks can be minimized but can not be altogether eliminated.

# GROUP CLASSIFICATION

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The Stock Exchange, Mumbai (BSE)



## Introduction:

The Stock Exchange, Mumbai (BSE) has the largest number of scrips listed on any Exchange in the world. While the large number of scrips has its own advantages, it also poses various challenges for the Exchange in terms of risk management and compliance. It also makes the task of investor difficult in terms of differentiating scrips on the basis of liquidity, size and nature. In order to facilitate a proper risk management by the Exchange and also to serve as a useful information source for the investor, The Stock Exchange, Mumbai (BSE) has classified the scrips listed on it into 'A', 'B1', 'B2', 'F', 'G' and 'Z' groups. Such a detailed grouping has simplified the job of investors in identifying stocks they want to trade in.

The number of scrips listed on the Exchange under 'A', 'B1', 'B2' and 'Z' group, which represents the equity segments are around 200, 800, 1830, 3500 respectively.

## A Group:

The top 200 equity scrips listed at the BSE in terms of market capitalization and liquidity are classified under the 'A' Group. In order to enable a fair classification based on consistent performance, the market capitalization and liquidity criteria are averaged for a period of six months. Apart from the above criteria, the 'A' Group also gives due consideration to criteria such as listed history, profitability, dividend record, etc.

## B1 and B2 Groups:

Once the A Group scrips are identified, the remaining scrips (excluding Z Group scrips) are classified into B1 and B2 Groups. The difference between B1 and B2 Group scrips is a relative one. Top 800 scrips with relatively higher market capitalization and liquidity are classified into B1 while the remaining are classified into B2.

It is important to note that the criteria for A, B1 and B2 Group scrips are relative in nature and not fixed in terms of absolute market capitalization and liquidity. This is so because absolute figures are subject to market vagaries and may not be relevant in the changed market scenario. Further, absolute criteria may result in a higher or lower number of scrips qualifying in each of the groups e.g. during boom time more companies may qualify to be in the 'A' Group based on absolute market capitalization criteria of say 500 cr. While in case of relative criteria, the number of scrips would remain fixed, say top 200 qualify to be in the A Group.

## 'C' Group:

There is also a 'C' group which covers the odd lot securities in 'A', 'B1', 'B2' and 'Z' groups and also Rights Renunciations in all these group of scrips. The 'C' group can also be used by investors for selling upto 500 shares in physical form in respect of scrips where trades are to be compulsorily settled by all investors in demat mode. The Stock Exchange, Mumbai, is the only Stock Exchange in the country to provide a facility of on-line trading in odd lot securities and Rights renunciations. This facility of trading in odd lots of securities not only offers an exit route to investors to dispose of their odd lot of securities but also provides them an opportunity to consolidate their securities into market lots.

## 'F' and 'G' Group:

The 'F' group represents the Corporate Debt segment (fixed income securities) wherein around 735 securities are listed. The 'G' group represents the Central Government Securities, which are listed and traded on the Retail Debt Segment at the Exchange.

## 'Z' Group:

The 'Z' group was introduced in the month of July 1999 and covers the list of companies, which either fail to comply with the various listing requirements of the Exchange or are under surveillance watch for possible manipulation etc. From the Exchange perspective, the purpose of having Z group is different from that of having the other three groups. While the A, B1 and B2 groups reflect the relative importance of companies in terms of market capitalization and liquidity, the Z group represents companies in which the Exchange wants the Investors to beware before investing. The scrips are transferred to the "Z group", interalia, on account of the following:

- non-compliance with the provisions of Listing Agreement clauses, or
- non-redressal of the grievances of investors, or
- failing to make demat arrangements with both the depositories, or
- as part of Surveillance action.
- any other reason in the interest of the market.

The securities of such companies transferred to "Z group", are traded on "trade-to-trade" basis only.

## Index based market wide circuit breaker for the Quarter 1<sup>st</sup> October 2003 to 31<sup>st</sup> December 2003

The Exchange implements on a quarterly basis (SEBI circular SMDRPD/Policy/Cir-37/2001 dated June 28, 2001) the index based market wide circuit breaker system. The system is applicable at three stages of the index movement either way at 10%, 15% and 20%. These circuit breakers will bring about a coordinated trading halt in all equity and equity derivative markets nationwide.

The market wide circuit breakers would be triggered by movement of either SENSEX or the NSE S&P CNX Nifty whichever is breached earlier.

- In case of a 10% movement of either of these indices, there would be a 1-hour market halt if the movement takes place before 1 p.m. In case the movement takes place at or after 1 p.m. but before 2.30 p.m. there will be a trading halt for ½ hour. In case the movement takes place at or after 2.30 p.m. there will be no trading halt at the 10% level and the market will continue trading.
- In case of a 15% movement of either index, there will be a 2-hour market halt if the movement takes place before 1 p.m. If the 15% trigger is reached on or after 1 p.m. but before 2 p.m., there will be a 1 hour halt. If the 15% trigger is reached on or after 2 p.m. the trading will halt for the remainder of the day.
- In case of a 20% movement of the index, the trading will be halted for the remainder of the day.

The percentages are calculated on the closing index value of the quarter. These percentages are translated into absolute points of index variations (rounded off to the nearest 25 points in case of SENSEX). At the end of each quarter, these absolute points of index variations are revised and made applicable for the next quarter.

Percentage (+/-)	Equivalent Points (+/-)
10%	450
15%	675
20%	900

On September 30, 2003, the last trading day of the quarter, SENSEX closed at **4453.24** points. The absolute points of SENSEX variation (over the previous day's closing SENSEX) which would trigger market wide circuit breaker for any day in the quarter between 1<sup>st</sup> October 2003 and 31<sup>st</sup> December 2003 would be as under:

## Shifting of Companies to Z Group/Trade-To- Trade Segment

As an investor friendly measure, as also to inform and warn the potential investors about the level of non-compliance of the Listing Agreement or as a Surveillance measure, the Exchange has shifted 578 companies to the 'Z' group/ to the trade to trade segment with effect from September 10, 2003 and 112 companies to the 'Z' group with effect from September 12, 2003. The securities of companies transferred to 'Z' group, are traded on 'trade-to-trade' basis only.

## Revision of 'A' Group List

The Stock Exchange, Mumbai has revised the list of 'A' Group scrips. While 22 scrips have been shifted from B1 to A Group, 20 scrips

B1 to A			A to B1		
Sr. No.	Code	Name	Sr. No.	Code	Name
1	505885	ALFA LAVAL (INDIA) LTD.	1	532399	ADLABS FILMS LTD.
2	515030	ASAHI INDIA SAFETY GLASS LTD.	2	532385	AZTEC SOFTWARE & TECHNO.SERVICES LTD.
3	500072	BONGAINGAON REFINERY & PETRO LTD.	3	500043	BATA INDIA LTD.
4	532483	CANARA BANK	4	500156	GERMAN REMEDIES LTD.
5	532121	DENA BANK	5	500690	GUJARAT STATE FERTILISERS &CHEM.LTD
6	524244	FERTILIZERS & CHEM TRAVANCORE	6	506737	HIND LEVER CHEMICALS LTD.
7	532424	GODREJ CONSUMER PRODUCTS LTD.	7	500186	HINDUSTAN OIL EXPLORATION CO. LTD.
8	523886	HINDUSTAN INKS & RESINS LTD.	8	523610	ITI LTD.
9	532466	I-FLEX SOLUTIONS LTD	9	500255	LML LTD.
10	500207	INDO RAMA SYNTHETICS (INDIA) LTD.	10	500271	MAX INDIA LTD.
11	532187	INDUSIND BANK LTD	11	532357	MUKTA ARTS LTD.
12	531807	ING VYSYA BANK LTD.	12	532350	PADMALAYA TELEFILMS LTD.
13	524494	IPCA LOBORATORIES LTD.	13	500329	PENTAMEDIA GRAPHICS LTD
14	500107	JINDAL IRON & STEEL CO LTD	14	500560	PHILLIPS INDIA LTD.
15	532256	JINDAL STRIPS LTD.	15	517411	SHYAM TELECOM LTD.
16	500530	MICO LTD.	16	532221	SONATA SOFTWARE LTD.
17	523630	NATIONAL FERTILISERS LTD.	17	517556	SSI LTD.
18	532461	PUNJAB NATIONAL BANK	18	500463	TATA TELECOM LTD
19	532370	RAMCO SYSTEMS LTD.	19	500423	TVS ELECTRONICS LTD.
20	500900	STERLITE INDUSTRIES LTD.	20	504067	ZENSAR TECHNOLOGIES LTD.
21	504290	TATA INFOTECH LTD.			
22	532477	UNION BANK OF INDIA			

### **Inauguration of Regional Hub in Kolkata**

The Stock Exchange, Mumbai (BSE) set-up a regional hub at Kolkata on September 19, 2003, which was inaugurated by Mr. S.C. Das, Executive Director, SEBI. The hub in Kolkata will provide member-brokers and their sub-brokers in the region an extremely low cost connectivity to BSE systems in Mumbai and will help the Exchange to reach out to more intermediaries and investors in Kolkata and surrounding areas. The hub will provide fault tolerant, economical, and high speed connectivity to the BSE On-line Trading (BOLT) system and Derivatives Trading and Settlement System (DTSS) of the Exchange. Member brokers can connect multiple terminals on single local lease line connectivity to the hub.

### **BSE Reduces Transaction Charges**

The Stock Exchange, Mumbai (BSE) has taken an important decision that could be immensely valuable to the investors in equity markets. Despite continuous growth in the operational costs, BSE in its continuous endeavor to reduce the cost burden that could benefit millions of investors, has decided to bring down the transaction charges by about 15 percent. Effective October 1st 2003, the transaction charges that will include contribution to the Trade Guarantee Fund and Investor Protection Fund will be brought down to Rs.3.50 per lakh of gross turnover as against Rs. 4.15 per lakh prevailing at present. The new tariff of the transaction charges which will come into force from October 1st 2003 will make BSE the only major stock exchange that offers trading at lowest transaction costs. This measure is particularly aimed at benefiting small and retail investors, who could gain sizeably from substantial savings in costs in their equity market transactions. Lower transactions costs indicates the growing efficiency of BSE operations that could also induce further spurt in the secondary market trading that could help in further deepening of the Indian securities markets.

### **Replacements in SENSEX**

The Index Committee of the Exchange made the following 5 replacements in SENSEX:

<b>Exclusions:</b>		<b>Inclusions:</b>	
<b>CODE</b>	<b>NAME</b>	<b>CODE</b>	<b>NAME</b>
500870	CASTROL INDIA LTD.	532454	BHARTI TELE-VENTURES LTD.
500830	COLGATE PALMOLIVE (INDIA) LTD.	500180	HDFC BANK LTD.
500660	GLAXOSMITHKLINE PHARMACEUTICALS LTD.	500312	OIL AND NATURAL GAS CORPORATION LTD.
532281	HCL TECHNOLOGIES LTD.	500400	TATA POWER CO. LTD.
500790	NESTLE INDIA LTD.	507685	WIPRO LTD.

The changes would come into effect from November 10, 2003.

### **BSE to encourage Small Capital Companies**

At present, The Stock Exchange, Mumbai (BSE) allows listing of shares of the companies with a post issue capital of Rs. 10 crores or a post issue capital Rs. 5 crores with a market capitalization of Rs. 50 crores. In a significant move to facilitate grounds for higher business activity in the Indian Economy, through small enterprises the Exchange has permitted listing of the shares issued by the small cap companies from the capital markets. BSE has designed a unique scheme and has plans to create a distinct securities segment of small cap companies. These companies would be required to meet the SEBI guidelines for making Initial Public Offer (IPO) which are broadly discussed in Annexure I.

In addition to the SEBI prescribed requirements, BSE has prescribed the following additional requirements:

- The minimum post issue paid up capital of the company should be Rs. 3 crores.
- The Companies should have a minimum turnover of Rs. 3 crores in each of the previous 3 years.
- A due- diligence to be done by an Exchange appointed independent team of CAs or merchant banker. This team may also include Exchange representative. The due-diligence exercise may include plant/site/office visit of the company over and above the existing statutory requirement in this regard. This may be waived if a Financial Institution or Scheduled Commercial Bank has appraised the project in the preceding 12 months.
- Minimum public shareholders 500.
- The Company would be required to hold shareholders' meeting at least once in a year in Mumbai.

The Exchange would however vet the listing applications on a case- to -case basis and reserves the right to reject any application for listing without assigning reasons therefor.

**Beta, R<sup>2</sup>, Volatility and Returns of SENSEX scrips for one year period  
(October 2002 - September 2003 )**

Code	Name	Beta Values	Co-efficient of determination (R <sup>2</sup> )	Avg. Daily Volatility (%)	Returns (1 year) (%)	Weights as on 29/08/03 (%)	Free-float Adj. Factor
500410	A.C.C. LTD.	1.17	0.90	2.15	47.44	1.31	0.9
500490	BAJAJ AUTO LTD.	0.52	0.91	1.83	103.02	2.69	0.8
500103	BHARAT HEAVY ELECTRICALS LTD.	0.68	0.68	1.97	153.08	1.66	0.4
500390	BSES LTD.	0.76	0.91	2.07	72.88	1.09	0.5
500870	CASTROL	0.20	0.25	1.41	0.79	0.30	0.3
500087	CIPLA LTD.	0.47	0.28	1.91	8.82	1.82	0.7
500830	COLGATE PALMOLIVE (INDIA)	0.28	0.60	1.40	7.67	0.41	0.5
500124	DR REDDY'S LABORATORIES LTD.	0.60	0.68	2.05	26.78	2.72	0.8
500660	GLAXO LTD.	0.21	0.62	1.62	22.30	0.85	0.6
500300	GRASIM INDUSTRIES LTD.	0.67	0.83	1.90	115.34	2.06	0.8
500425	GUJARAT AMBUJA CEMENTS LTD.	0.75	0.78	1.63	40.18	1.20	0.8
532281	HCL TECHNOLOGIES LTD.	1.82	0.07	3.47	-17.54	0.63	0.3
500010	HDFC LTD.	0.43	0.93	2.04	65.98	5.13	1.0
500182	HERO HONDA MOTORS LTD.	0.74	0.45	2.58	19.02	1.30	0.5
500696	HINDUSTAN LEVER LTD.	1.09	0.44	1.82	6.17	8.49	0.5
500104	HINDUSTAN PETROLEUM CORP LTD.	0.98	0.65	2.91	115.25	2.58	0.5
500440	HINDALCO INDUSTRIES LTD.	0.41	0.81	1.49	75.79	2.86	0.8
532174	ICICI BANK LTD.	0.85	0.86	2.33	45.81	5.27	1.0
500209	INFOSYS TECHNOLOGIES LTD.	1.65	0.03	3.23	33.05	10.09	0.8
500875	ITC LTD.	0.62	0.80	1.39	23.25	5.84	0.7
500510	LARSEN & TOUBRO LTD.	0.76	0.87	1.71	92.56	3.04	0.9
500108	MAHANAGAR TELEPHONE NIGAM LTD.	0.76	0.56	2.78	9.10	1.59	0.5
500790	NESTLE INDIA LTD.	0.09	0.48	1.24	2.81	1.19	0.5
500359	RANBAXY LABORATORIES LTD.	0.52	0.83	1.58	68.39	5.27	0.7
500325	RELIANCE INDUSTRIES LTD.	1.30	0.96	1.96	71.93	15.65	0.6
500376	SATYAM COMPUTER SERVICES LTD.	2.05	0.05	3.22	17.87	3.03	0.9
500112	STATE BANK OF INDIA	0.98	0.79	1.80	96.43	5.00	0.5
500570	TATA ENGG & LOCO CO. LTD.	1.21	0.94	2.05	132.14	2.48	0.6
500470	TATA IRON & STEEL CO. LTD.	1.19	0.95	1.99	134.02	3.37	0.8
505537	ZEE TELEFILMS LTD.	1.33	0.59	3.14	39.20	1.07	0.5

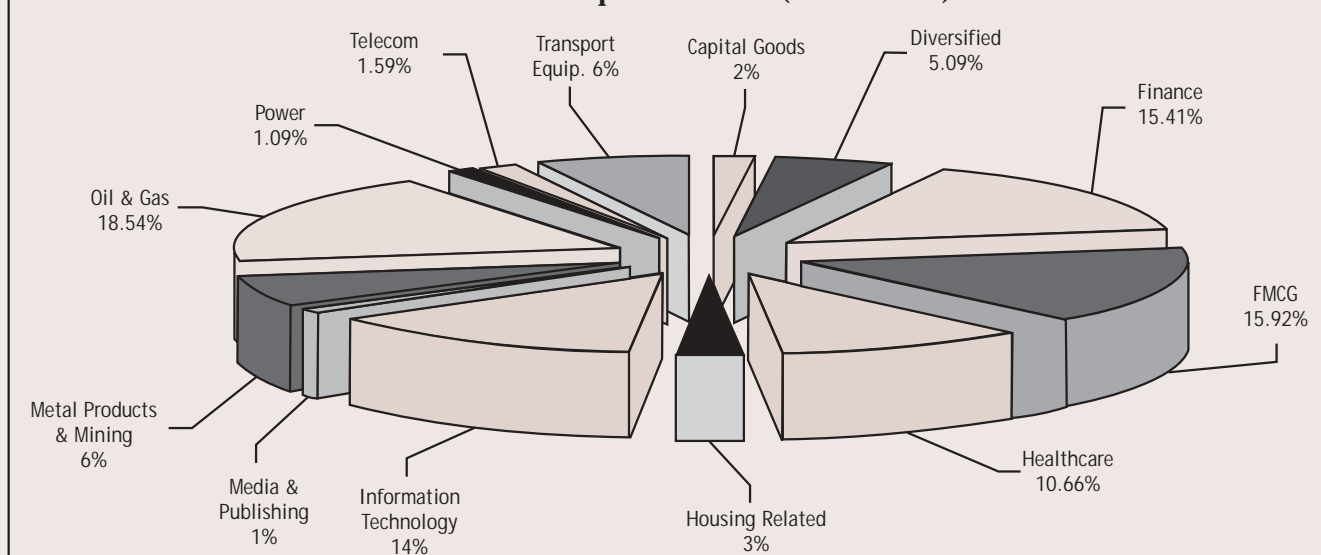
Beta = Co-variance(SENSEX, Stock)/ Variance(SENSEX)

R<sup>2</sup> = (Correlation)<sup>2</sup>

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

### Sectoral Break-up of SENSEX (30/09/2003)



### Correlation of SENSEX with

INDEX	1 Month (September 03)	3 Months (Jul. 03-Sep. 03)	6 Months (Apr. 03-Sep.03)	1 Year (Oct. 02-Sep. 03)
BSE-100	0.930	0.992	0.996	0.994
BSE-TECK	0.652	0.952	0.925	0.493
MSCI INDIA INDEX	0.993	0.999	0.999	0.991
NIFTY	0.982	0.997	0.999	0.996
NASDAQ	-0.583	0.806	0.911	0.831
DOW JONES	-0.567	0.824	0.878	0.748
S&P500	-0.544	0.669	0.799	0.720
FTSE 100	-0.440	0.784	0.801	0.516
NIKKEI	-0.404	0.845	0.966	0.902

**For Data On Financial  
Performance and other details  
Of BSE 500 Companies**

**DIRECTORY OF  
BSE 500**

# Key Statistics

## of The Stock Exchange, Mumbai

	Particulars		Jun-03	Jul-03	Aug-03	Sep-03	Sep-02	Sep-01
<b>1</b>	<b>Volume of Turnover</b>							
i)	Specified Shares (A Group)	(Cr. Rs.)	20817.60	27268.46	29408.77	38668.60	20202.98	20671.07
ii)	B1 Group Securities	(Cr. Rs.)	3844.34	5241.65	6151.26	5591.43	3927.51	852.01
iii)	B2 Group Securities	(Cr. Rs.)	258.86	439.92	688.56	373.33	273.96	59.00
iv)	F - Group Securities (Debt)	(Cr. Rs.)	8.45	17.60	73.81	24.14	5.22	10.72
v)	G - Group Securities	(Cr. Rs.)	0.52	0.22	0.06	0.07		
vi)	Demat Group Securities	(Cr. Rs.)	-	-	-	-	-	
vii)	Z- Group Securities	(Cr. Rs.)	3.13	7.85	11.82	40.14	0.42	0.36
<b>2</b>	<b>Total Turnover (i - vi)</b>	(Cr. Rs.)	24932.90	32975.70	36334.28	44697.72	24410.09	21593.16
		(Bn. Rs.)	249.33	329.76	363.34	446.98	244.10	215.93
		(USD Bn.)	5.34	7.13	7.91	9.75	5.04	4.53
	Cumulative from Jan	(Cr. Rs.)	142889.70	175865.40	212199.68	256897.40	248705.09	398922.65
		(Bn. Rs.)	1428.90	1758.65	2122.00	2568.97	2487.05	3989.23
		(USD Bn.)	30.59	38.04	46.20	56.03	51.34	83.74
<b>3</b>	<b>Average Daily Turnover</b>	(Cr. Rs.)						
i)	Specified Shares (A Group)		991.31	1185.59	1470.44	1757.66	1010.15	1033.55
ii)	B1 Group Securities		183.06	227.90	307.56	254.16	196.38	42.60
iii)	B2 Group Securities		12.33	19.13	34.43	16.97	13.70	2.95
iv)	F - Group Securities		0.40	0.77	3.69	1.10	0.26	0.54
v)	G - Group Securities		0.02	0.01	0.00	0.00		
vi)	Demat Group Securities		-	-	-	-	-	0.00
vii)	Z- Group Securities		0.15	0.34	0.59	1.82	0.02	0.02
<b>4</b>	<b>Total Average Daily Turnover (i to vi)</b>	(Cr. Rs.)	1187.28	1433.73	1816.71	2031.71	1220.50	1079.66
		(Bn. Rs.)	11.87	14.34	18.17	20.32	12.21	10.80
		(USD Bn.)	0.25	0.31	0.40	0.44	0.25	0.23
	Cumulative from Jan	(Cr. Rs.)	1152.34	1196.36	1270.66	1359.25	1308.97	2121.93
<b>5</b>	<b>Turnover for the month</b>	(Cr. Rs.)						
	High		1525.87	1924.36	2388.43	2637.68	2001.48	1419.85
	Low		815.13	1138.92	1413.88	1437.21	922.83	765.03
<b>6</b>	<b>No. of Shares Traded</b>	(in Crs)						
i)	A Group (Total)		146.41	177.22	202.87	211.89	101.60	86.82
ii)	B1 Group (Total)		93.41	128.96	182.13	114.96	32.26	13.26
iii)	B2 Group (Total)		24.81	50.56	68.65	31.61	22.05	9.55
iv)	Demat		-	-	-	-	-	
v)	Z- Group Securities		0.28	0.93	2.09	6.03	0.10	0.02
	Total Shares Traded (I to v)		264.91	357.67	455.74	364.49	156.01	109.65
vi)	No. of Debentures traded	(in Crs)	0.02	0.14	8.64	1.17	0.02	0.03
vii)	G Group		0.01	0.00	0.00	0.00		
<b>7</b>	<b>V-SAT Turnover (incl. in item no II)</b>	(Cr. Rs.)	10794.68	14035.40	15823.02	19359.43	8627.00	11443.00
<b>8</b>	<b>No. of Trades</b>	(in '000s)	13884.51	17267.26	18096.16	18036.87	10611.05	9521.36
	Cumulative from Jan		66400.33	83667.59	101763.75	119800.62	114709.82	100046.72
<b>9</b>	<b>Deliveries (Monthly)</b>							
<b>a)</b>	<b>No. of Shares</b>							
i)	Specified Shares (A Group)		42.34	51.23	49.92	48.57	27.21	
ii)	B1 Group Securities		45.57	60.43	79.48	49.29	10.50	
iii)	B2 Group Securities		16.97	32.81	41.80	18.09	13.48	
iv)	G Group Securities		0.01	0.00	0.00	0.00		
	Total No. of Shares	(in Crs)	104.89	144.47	171.20	115.95	51.19	33.02
	Cumulative from Jan		390.23	534.70	705.90	821.85	603.27	557.59
<b>b)</b>	<b>Value</b>							
i)	Specified Shares (A Group)		5520.49	7317.63	7177.73	8652.90	3250.39	
ii)	B1 Group Securities		1439.12	2100.73	2575.00	2186.92	570.94	
iii)	B2 Group Securities		145.69	252.36	343.52	182.33	125.32	
iv)	G Group Securities		0.52	0.22	0.06	0.06		
	b) Value	(Cr. Rs.)	7105.82	9670.94	10096.31	11022.21	3946.65	3400.26
	Cumulative from Jan		32733.40	42404.34	52500.65	63522.86	51846.52	71751.80
<b>10</b>	<b>Debenture Deliveries (Monthly)</b>							
<b>a)</b>	<b>No. of Debentures</b>	(in Crs)	0.00	0.00	0.00	0.00	0.00	0.03
	Cumulative from Jan		0.00	0.00	0.00	0.00	0.01	0.27
<b>b)</b>	<b>Value</b>	(Cr. Rs.)	0.00	0.00	0.00	0.00	0.00	9.50
	Cumulative from Jan		0.00	0.00	0.00	0.00	3.37	51.78
<b>11</b>	<b>Market Capitalisation (Estimated)</b>							
i)	A Group	(Cr. Rs.)	603851	635358	745379	773706	392689	346091
ii)	B1 Group	(Cr. Rs.)	98101	106892	124067	123341	139960	78128
iii)	B2 Group	(Cr. Rs.)	15825	17104	19093	14290	19665	24962
iv)	Z Group	(Cr. Rs.)	16612	16641	16654	21750	17959	7083
	<b>BSE (i-iv)</b>	(Cr. Rs.)	734389	775996	905193	933087	570273	456263
		(Bn. Rs.)	7343.89	7759.96	9051.93	9330.87	5702.73	4562.63
		(USD Bn.)	157.22	167.86	197.08	203.51	117.73	95.77



	Particulars		Jun-03	Jul-03	Aug-03	Sep-03	Sep-02	Sep-01
12	No. of Trading Days		21	23	20	22	20	20
	Cumulative from Jan		124	147	167	189	190	188
13	No. of Companies Listed							
	Newly Listed		0	3	0	4	2	1
	Delisted		4	1	8	0	1	0
	Cumulative from Jan		5641	5643	5635	5639	5711	5804
14	Newly listed securities of existing companies		43	40	32	37	23	34
	Cumulative from Jan		221	261	293	330	380	353
15	Capital Listed During the Month							
	- Existing Companies	(Cr. Rs.)	2549.33	331.25	1570.72	714.97	164.46	258.14
	- Newly Listed Companies	(Cr. Rs.)	19.29	185.29	0.00	70.42	198.27	51.72
	Total	(Cr. Rs.)	2568.62	516.54	1570.72	785.39	362.73	309.86
		(Bn. Rs.)	25.69	5.17	15.71	7.85	3.63	3.10
		(USD Bn.)	0.55	0.11	0.34	0.17	0.07	0.07
16	Amount offered thro' equity (prospectus)							
a)	Total No. of Issues		1	0	0	3	0	0
b)	Par Amount	(Cr. Rs.)	39.73	0.00	0.00	302.97	0.00	0.00
c)	No. of Issues (premium)		1	0	0	3	0	0
d)	Premium Amount	(Cr. Rs.)	953.61	0.00	0.00	191.89	0.00	0.00
e)	Total amount (b+d)		993.35	0.00	0.00	494.86	0.00	0.00
17	Amount offered thro' other instruments (Prospectus)							
f)	Total No. of Issues		0	0	0	1	0	1
g)	Amount	(Cr. Rs.)	0.00	0.00	0.00	300.00	0.00	400.00
18	Total amount offered thro' prospectus							
	Total No. of Issues (a+f)		1	0	0	4	0	1
	Amount (e+g)	(Cr. Rs.)	993.35	0.00	0.00	794.86	0.00	400.00
19	Amount offered thro' equity by existing listed companies							
a)	Total No. of Issues		0	0	1	3	0	1
b)	Par amount	(Cr. Rs.)	0.00	0.00	1.50	82.62	0.00	6.76
c)	No. of Issues (premium)		0	0	0	3	0	0
d)	Premium Amount	(Cr. Rs.)	0.00	0.00	0.00	279.14	0.00	0.00
e)	Total amount (b+d)		0.00	0.00	1.50	361.76	0.00	6.76
20	Amount offered thro' other instruments by existing listed companies							
f)	Total No. of Issues		0	0	0	0	0	2
g)	Amount (Cr.Rs.)	(Cr. Rs.)	0.00	0.00	0.00	0.00	0.00	671.63
21	Total amt offered by existing listed companies							
	Total No. of Issues (a+f)		0	0	1	3	0	3
	Amount (e+g)	(Cr. Rs.)	0.00	0.00	1.50	361.76	0.00	678.39
22	Total amount offered thro' all offer documents (XVIII+XXI)							
	Total No. of Issues		1	0	1	7	0	4
	Cumulative from Jan		11	11	12	19	21	35
	Amount	(Cr. Rs.)	993.35	0.00	1.50	1156.62	0.00	1078.39
	Cumulative from Jan	(Cr. Rs.)	2656.61	2656.61	2658.11	3814.73	4734.07	4150.17
		(Bn. Rs.)	26.57	26.57	26.58	38.15	47.34	41.50
		(USD Bn.)	0.57	0.57	0.58	0.83	0.98	0.87
23	BSE Sensitive Index (30 Scrips) (1978-79=100)							
	High		3607.13	3792.61	4244.73	4453.24	3187.26	3231.60
	Low		3181.97	3554.13	3741.66	4134.15	2991.36	2600.12
	Average		3386.89	3665.46	3977.86	4314.74	3085.53	2918.28
	Closing (Month End)		3607.13	3792.61	4244.73	4453.24	2991.36	2811.60
24	BSE TECK Index (2nd April 2001=1000)							
	High		725.38	794.46	882.75	1002.77	828.03	822.28
	Low		622.57	707.03	777.29	879.34	764.29	551.38
	Average		678.10	749.96	814.89	934.16	799.61	690.56
	Closing (Month End)		725.38	794.46	879.84	1002.77	768.29	606.49
25	BSE 100 Index (1983-84=100)							
	High		1819.36	1894.37	2229.25	2335.65	1580.60	1527.66
	Low		1649.50	1784.54	1907.68	2102.05	1473.88	1216.37
	Average		1729.15	1843.86	2055.64	2242.97	1521.96	1373.77
	Closing (Month End)		1819.36	1893.45	2229.25	2314.62	1473.88	1312.50
26	BSE 200 Index (1989-90 = 100)							
	High		452.03	472.38	552.51	578.36	378.57	333.78
	Low		408.53	444.17	474.78	522.13	353.86	268.39
	Average		428.17	459.18	510.62	556.13	365.38	301.00
	Closing (Month End)		452.03	471.61	552.51	573.52	353.86	288.68
27	The Doller-200 (1989-90 = 100)							
	High		161.95	170.52	200.63	210.38	130.04	117.84
	Low		144.22	159.86	171.54	189.49	121.78	93.07
	Average		152.63	165.37	185.09	201.95	125.58	105.25
	Closing (Month End)		161.95	170.17	200.63	208.26	121.78	100.42
28	BSE 500 Index (1989-90=100)							
	High		1373.56	1441.04	1687.35	1759.38	1129.99	980.81
	Low		1239.38	1352.19	1449.41	1594.67	1055.57	792.18

Particulars		Jun-03	Jul-03	Aug-03	Sep-03	Sep-02	Sep-01
Average		1298.42	1399.31	1560.58	1694.90	1090.72	885.87
Closing (Month End)		1373.56	1439.30	1687.35	1748.43	1055.57	850.56
<b>29 P/E Ratio (Month Averages)</b>							
BSE SENSEX based scrips (30)		14.61	14.73	15.33	15.76	13.14	15.20
BSE 100 Index based scrips (100)		12.73	12.90	13.47	14.24	11.44	13.69
<b>30 Price to Book Value (Month Averages)</b>							
BSE SENSEX based scrips (30)		2.26	2.36	2.53	2.70	2.17	2.07
BSE 100 Index based scrips (100)		2.01	2.10	2.29	2.47	1.61	1.51
<b>31 Dividend Yield % (Month Averages)</b>							
BSE SENSEX based scrips (30)		2.21	2.16	2.09	1.98	2.31	2.19
BSE 100 Index based scrips (100)		2.76	2.68	2.53	2.36	3.21	2.21
<b>32 No. of Registered FIIs +</b>		509	511	518	508	499	491
<b>33 No. of Registered Foreign Brokers +</b>		38	38	38	38	38	38
<b>34 FIIs Purchases in</b>							
Secondary market in BSE	(Cr. Rs.)	1573	2691	1644	2778	2279	1161
Cumulative from Jan	(Cr. Rs.)	8218	10909	12553	15331	15968	18516
	(Bn. Rs.)	82.18	109.09	125.53	153.31	159.68	185.16
	(USD Bn.)	1.76	2.36	2.73	3.34	3.30	3.89
<b>35 FIIs Sales in Secondary market in BSE</b>	(Cr. Rs.)	1070	1939	1164	1820	1330	1245
Cumulative from Jan	(Cr. Rs.)	7093	9032	10196	12016	13916	12451
	(Bn. Rs.)	70.93	90.32	101.96	120.16	139.16	124.51
	(USD Bn.)	1.52	1.95	2.22	2.62	2.87	2.61
<b>36 Net FIIs Investments in</b>							
Secondary market in BSE	(Cr. Rs.)	503	752	480	958	949	-84
Cumulative from Jan	(Cr. Rs.)	1125	1877	2357	3315	2052	6065
	(Bn. Rs.)	11.25	18.77	23.57	33.15	20.52	60.65
	(USD Bn.)	0.24	0.41	0.51	0.72	0.42	1.27
<b>37 FIIs Purchases in Secondary</b>							
market (Equity) (All-India) +	(Cr. Rs.)	6743	8049	7875	11489	3765	2937
Cumulative from Jan	(Cr. Rs.)	28659	36708	44583	56071	35636	41235
	(Bn. Rs.)	286.59	367.08	445.83	560.71	356.36	412.35
	(USD Bn.)	6.14	7.94	9.71	12.23	7.36	8.66
<b>38 FIIs Sales in Secondary market (Equity)</b>							
(All-India)+	(Cr. Rs.)	4161	5702	5784	7638	3296	3352
Cumulative from Jan	(Cr. Rs.)	22748	28450	34234	41872	32259	29225
	(Bn. Rs.)	227.48	284.50	342.34	418.72	322.59	292.25
	(USD Bn.)	4.87	6.15	7.45	9.13	6.66	6.13
<b>39 Net FIIs Investments in Secondary</b>							
Market (Equity) (All-India)+	(Cr. Rs.)	2582	2346	2091	3851	469	-416
Cumulative from Jan	(Cr. Rs.)	5911	8258	10349	14200	3377	12010
	(Bn. Rs.)	59.11	82.58	103.49	142.00	33.77	120.10
	(USD Bn.)	1.27	1.79	2.25	3.10	0.70	2.52
<b>40 FIIs Purchases in Secondary</b>							
market (Debt) (All-India)+	(Cr. Rs.)	1092	501	972	782	1	433
Cumulative from Jan	(Cr. Rs.)	5517	6018	6990	7772	2399	4382
	(Bn. Rs.)	55.17	60.18	69.90	77.72	23.99	43.82
	(USD Bn.)	1.18	1.30	1.52	1.70	0.50	0.92
<b>41 FIIs Sales in Secondary market (Debt)</b>							
(All-India)+	(Cr. Rs.)	212	687	836	458	147	551
Cumulative from Jan	(Cr. Rs.)	1537	2223	3060	3517	2609	4263
	(Bn. Rs.)	15.37	22.23	30.60	35.17	26.09	42.63
	(USD Bn.)	0.33	0.48	0.67	0.77	0.54	0.89
<b>42 Net FIIs Investments in Secondary</b>							
market (Debt) (All-India)+	(Cr. Rs.)	880	-186	136	324	-146	-118
Cumulative from Jan	(Cr. Rs.)	3980	3795	3931	4255	-210	119
	(Bn. Rs.)	39.80	37.95	39.31	42.55	-2.10	1.19
	(USD Bn.)	0.85	0.82	0.86	0.93	-0.04	0.02
<b>43 Capital raised through Euro Issues</b>							
No. of Issues *		0	0	0	0	1	0
Cumulative from Jan		2	2	2	2	1	3
Amount Raised	(Cr. Rs.)	0.00				242.67	0.00
Cumulative from Jan	(Cr. Rs.)	144.15	144.15	144.15	144.15	242.67	2193.20
	(Bn. Rs.)	1.44	1.44	1.44	1.44	2.43	21.93
	(USD Bn.)	0.03	0.03	0.03	0.03	0.05	0.46
<b>44 Members</b>		<b>712</b>	<b>712</b>	<b>712</b>	<b>712</b>	<b>711</b>	<b>710</b>
Individuals		211	210	210	209	212	217
Corporate (Unlimited Liability) Clause (4) A							2
of Securities Contracts (Regulation) Rules, 1957							
Indian Companies		481	482	482	483	477	469
Foreign Institutional Investors		20	20	20	20	22	22
Financial Corporations		0	0	0	0	0	0
<b>45 Dollar Re. Exchange Rate (1 USD - Rs.)</b>		46.7100	46.2300	45.9300	45.8500	48.4400	47.64
<b>46 Scrips Listed</b>		7349	7360	7347	7354	7327	10346

Conversion Table : 1Billion = 100 Crore ● 1 Crore = 10 Million ● 1 Million = 10 Lakh ● 1 Lakh = 100 Thousand  
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