

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6818
ANSWERED ON:09.05.2003
SENSEX OF BSE
AJAY CHAKRABORTY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the market capitalisation of the Bombay Stock Exchange (BSE) was eroded by about 4 per-cent during the first week after the presentation of the Budget, 2003; and

(b) if so, the details and reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) The market capitalisation on the Bombay stock Exchange fell from Rs. 619872.6 crore on the budget day, i.e. 28th of February, 2003, to Rs. 595004.96 crore on 7th March, 2003. This was a fall of about 4%.

(b) According to the BSE, the impending conflict in the Middle East could have dampened the market sentiment leading to the erosion in the equity prices, a trend which was evident in the major international markets with indices like Dow Jones, Nasdaq Composite, FTSE and S&P 500 down by 1.91%, 2.41%, 4.91% and 1.46% respectively during the period of 28th February, 2003 to 7th March, 2003.