

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5680
ANSWERED ON:30.04.2010
INDIAN STOCK
Ponnam Shri Prabhakar

Will the Minister of FINANCE be pleased to state:

- (a) whether the Indian stocks are the best among Brazil, Russia, India and China (BRIC) nations;
- (b) if so, the comparative details of stocks of BRIC during each of the last three years; and
- (c) the future action plan in this regard to compete globally with the world countries?

Answer

MINISTER OF STATE FOR FINANCE(SHRI NAMO NARAIN MEENA)

(a): As per information furnished by the Securities & Exchange Board of India (SEBI), the movements of the indices of BRIC nations for the last 3 years are as follows:

Closing Values of Indices		%age Change		
Country Index	April 01, 2008	April 01, 2009	April 01, 2010	(April 01, 2008 to April 01, 2010)
India Sensex	15626.62	9901.99	17692.62	13.22
India Nifty	4739.55	3060.35	5290.5	11.62
Brazil Bovespa Index	62774.85	41976.33	71136.34	13.32
MICEX Composite				
Russia Index	1640.75	787.22	1479.66	-9.82
Shanghai SE Composite				
China Index	3329.162	2408.017	3147.416	-5.46

(b): As indicated in reply to part (a) as above.

(c) : The authorities in India do not try to manage or control movement of market indices. They endeavour to build systems and practices, that, inter-alia, deepen and broaden markets which can withstand volatility. The Government has put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. Measures taken to broaden and deepen markets include screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in of derivatives, etc. SEBI continues its efforts to ensure that the stock exchanges in India have adequate risk containment mechanisms to achieve timely settlement.