

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:251  
ANSWERED ON:26.11.2010  
RISE IN SENSEX  
Sukur Shri Jadhav Baliram

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the rise in the Sensex/Nifty during each of the last 12 months;
- (b) whether the Government has examined the reasons for the abnormal rise;
- (c) if so, the details thereof;
- (d) whether the Government has any policy to protect the Indian economy and the investors from violent fluctuations in this regard; and
- (e) if so, the details thereof and the action taken thereon?

**Answer**

FINANCE MINISTER (SHRI PRANAB MUKHERJEE)

(a) to (e): A statement is placed on the table of the House.

Statement referred to in reply to parts (a) to (e) of the Lok Sabha Starred Question No 251 regarding 'RISE IN SENSEX' raised by Shri. BALIRAM JADHAV for reply on 26th November 2010

(a) The details of the rise in Sensex / Nifty during the last 12 months are given in the table below.

Nifty    Sensex

Month	Index Value at the end of the month	Change in Index Value at the close of the month	Per cent change in Index Value at the close of the month	Index Value at the end of the month	Change in Index Value at the close of the month	Per cent change in Index Value at the close of the month
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Oct-09 4711.7    15896.28

Nov-09 5032.7    321    6.81    16926.22    1029.94    6.48

Dec-09 5201.05    168.35    3.35    17464.81    538.59    3.18

Jan-10 4882.05    -319    -6.13    16357.96    -1106.85    -6.34

Feb-10 4922.3    40.25    0.82    16429.55    71.59    0.44

Mar-10 5249.1    326.8    6.64    17527.77    1098.22    6.68

Apr-10 5278 28.9 0.55 17558.71 30.94 0.18

May-10 5086.3 -191.7 -3.63 16944.63 -614.08 -3.50

Jun-10 5312.5 226.2 4.45 17700.9 756.27 4.46

Jul-10 5367.6 55.1 1.04 17868.29 167.39 0.95

Aug-10 5402.4 34.8 0.65 17971.12 102.83 0.58

Sep-10 6029.95 627.55 11.62 20069.12 2098 11.67

Oct-10 6017.7 -12.25 -0.20 20032.34 -36.78 -0.18

(b) & (c) Yes, Sir. Market movements are the outcome of perceptions of the investors - domestic and overseas, retail and institutional - about the economy, the sector and companies. This perception is influenced by many factors including the macro-economic environment, the growth potential of the economy /companies, policy credibility of the government, corporate performance, domestic and international events and market sentiments. The stock market capitalizes the present and future values of growth opportunities while evaluating the growth of all sectors in the economy. The upward movement of the index is attributed to the positive perceptions of the domestic as well as international investment community.

(d) The price movements, both increase and decrease, are a function of the market forces and neither Government nor the regulator - Securities and Exchange Board of India (SEBI)- influence the same in any manner by intervening in the market. However, SEBI maintains a constant vigil in the market, and in case of any abnormality, takes appropriate action.

(e) The exchanges and SEBI have put in place systems and practices to promote a safe, transparent and efficient market so as 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. The systems and practices are reviewed continuously and modified to meet emerging needs.