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“Twenty-First Century: Cultural and Economic Globalization”

Indian Stock Market: A New Era of Indian Banking

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Abstract

This paper aims to analysis the data related to the stock market in India to see the development of the Indian stock market in the banking sector. A stock market is a place to buy and sell a stake in a listed company. Like any other market, in the stock market, buyers and sellers meet and interact with each other. In India's development banking sector, the stock market is playing a crucial role to develop our country. Thus, this paper wants to show the real way to achieve status in the Indian economy. Thus, the overall growth of the economy is a function of how well the stock market performs and empirical evidence has proven that capital market development is critical to economic growth. In this way, how Indian stock market is a new era in India.

Keywords: Stock market, globalization, Indian stock exchange, Bombay stock exchange

Introduction

Share literally means share. A market is a place where you can buy and sell. In a literal sense, the stock market is a place to buy and sell a stake in a listed company. Like any other market, in the stock market, buyers and sellers meet and interact with each other. In its history, shares were bought and sold by oral and buyers and sellers only entered into oral transactions. Globalization and the revolution of the Internet created new thinking in it and now all these transactions are done through computers connected to the network of stock exchanges. In today's era, buyers and sellers are unfamiliar with each other. In a way, shares are auctioned here. The stock market is divided into two categories, the primary market and the secondary market. When companies list for the first time on a stock exchange and issue their shares through IPO (Initial Public Offering) in an attempt to raise capital from the market, it is referred to as the primary market. Where the trading of shares of companies is based on a regular basis. Investors fulfill their trade orders on the stock exchange through a stockbroker, then it is called secondary market or exchange-traded market which takes place as a regular market. Nowadays all the shares have become dematerialized. Apart from stocks, investors can also invest money in Indian mutual funds. In the words of a researcher:

“Stock exchange in an association, organization or body of individual whether incorporated or not establish for the purpose of assisting, regulating and controlling business in buying selling and dealing security.”

A common customer has to open an account with any bank that offers Demat service. Nowadays many banks like ICICI, HDFC, State Bank of India, Axis Bank, etc. provide Demat service. The annual fee for this type of account is between Rs 500-800. Stock markets are an important part of the economy of any developed country. Just as road, rail transport, electricity, water are most important for the development of a country, village, or city, the stock market is important for the development of the country's industries. Capital is required to run industries. They get it from the stock market. Every common man can provide his participation in the biggest industry through the stock market. With such participation, he can

become an equal share in the profit of big industries. Suppose, if a citizen thinks that Reliance or Infosys is going to make a huge profit in the coming time, then he can become a participant in this profit by buying shares of these companies. And to do that, one needs the system that the stock market provides. A good stock market makes sure that any investor gets equal opportunities. Apart from the National Stock Exchange, Bombay Stock Exchange, there are 27 regional stock exchanges across the country.

Objectives of the study

- To introduce the concept of stock market
- To see the impact of the stock market on the Indian banking sector
- To highlight the history of the stock market
- To provide the types of stock market
- To name the stock market

Need, Limitation, and Significance of the study

The study is about investment in the stock market. This study helps to know the types of Indian stock markets and their development. The present research will be helped to understand the condition of the stock market in the Indian banking sector. This research will attempt to create awareness among readers about the Indian stock market. It will also create reference material and provide scope for further study.

Research methodology

In this research paper, we will focus on the subject of the stock market. For that study we using technical analysis it is a method of evaluating the securities by analyzing past market data such as share price movement graph etc. It is a broad topic, so we will just take it, but we are going to the development of the stock market through secondary data such as Books, Reports, Journals, Magazines, Newspapers, Various official and unofficial websites.

Indian stock market: A development

Financial factors indicate the flourishing of any economy and they decide the fate of investments. Financial factors affect the pricing process in any economy. The confusion of financial factors significantly affects the stock and commodity markets, leading to price movements. The stock market promotes economic growth by providing opportunities to pool large and long-term capital by issuing shares and stocks and other equities for industries in dire need of finance to expand their clients. Thus, the overall growth of the economy is a function of how well the stock market performs and empirical evidence has proven that capital market development is critical to economic growth. Undoubtedly, a relationship exists between the growth of the stock market and the growth of the economy, and share prices are generally thought to be influenced by some fundamental financial factors such as lending rates, inflation, money supply and exchange rates. Empirical evidence has shown that changes in stock prices are linked to financial behaviour in advanced countries.

Indian Stock Exchange may refer to Bombay Stock Exchange and National Stock Exchange of India. The Bombay Stock Exchange, commonly known as BSE, (Bombay Share Bazaar) is a stock exchange located in Dalal Street, Mumbai and Maharashtra, India. It is the 10th largest

stock exchange in the world by market capitalization. Established in 1875, BSE Limited (formerly known as Bombay Stock Exchange Limited), is the first stock exchange in Asia and one of the major exchange groups in India. The National Stock Exchange (NSE) (Hindi: National City Market) is a stock exchange located in Mumbai, India. It is the 11th largest stock exchange in the world by market capitalization and the largest in India in terms of daily turnover and the number of trades for both equity and derivatives trading. As of July 2012, the NSE has a market capitalization of approximately US\$ 1 trillion and over 1,652 listings.

Housing Development Finance Corporation Limited (HDFC) Bank was established 25 years ago in August 1994, headquartered in Mumbai and is the largest private sector bank in India. HDFC Bank is a private sector bank, offering a wide spectrum of banking administration which includes trading and enterprise counting on the discount side and value-based / branch counting on the retail side. It merged with Times Bank in February 2000. In 2019 this bank was awarded as best private sector bank and many more. The bank is positioned as a leader in various net-based B2C openings that include a wide range of web banking administration for Fixed Deposits, Loans, Bill Payments, etc.

As a part of the process of economic liberalization, the stock market has been given an important place in the development of the Indian corporate sector. Besides raising resources for direct investment from investors, providing cash for investors and monitoring and disciplining company management are the major functions of stock exchanges. The main attraction of stock markets is that they provide a means for entrepreneurs and governments to raise resources directly from investors, and the cash they provide to investors. It has also been suggested that cash markets improve resource allocation and increase prospects for long-term economic growth.

BSE Limited, also known as Bombay Stock Exchange, is an Indian stock exchange located on Dalal Street in Mumbai. Established in 1875, it is the oldest stock exchange in Asia. BSE is the 9th largest stock exchange with a total market capitalization of over Rs 2,18,730 billion as of May 2021.

The Phiroze Jeebhoy Towers, originally known as BSE Towers, is a 29-story building in downtown Mumbai on Dalal Street near its intersection with Mumbai Samachar Marg. The building is owned and occupied by the Bombay Stock Exchange (BSE). BSE has acquired a trademark for its iconic building.

National Stock Exchange of India Limited (NSE) is India's premier state-owned stock exchange, located in Mumbai, Maharashtra. It is owned by some major financial institutions, banks and insurance companies. NSE was established in 1992 as the first dematerialized electronic exchange in the country. NSE was the first exchange in the country to provide a modern, fully automated screen-based electronic trading system, which provided easy trading facilities to investors spread across the country. Vikram

Limaye is the Managing Director and Chief Executive Officer of NSE.

The National Stock Exchange has a total market capitalization of over US\$3 trillion, making it the 9th largest stock exchange in the world as of May 2021 [1]. The flagship index of the NSE, the Nifty 50, is the 50 used in India and around the world is a stock index. It is used by investors in India as a barometer of the Indian capital market. The NIFTY 50 index was launched by the NSE in 1996 [2]. However, Vaidyanathan (2016) estimates that only 4% of the Indian economy/GDP is actually sourced from stock exchanges in India.

Unlike countries like the United States of America, where about 70% of the country's GDP is derived from the

corporate sector, the corporate sector in India accounts for only 12-14% of the national GDP (as of October 2016). Of these, only 7,800 companies are listed, of which only 4000 trade on the stock exchanges of BSE and NSE. Hence stock trading in BSE and NSE is only 4% of the Indian economy, which derives most of its income-related activities from the so-called unorganized sector and household expenditure.

The Economic Times estimated that as of April 2018, 6 crores (60 million) retail investors had invested their savings in stocks in India, either through the direct purchase of equities or through mutual funds. [4] Earlier, the Bimal Jalan Committee report estimated that barely 1.3% of India's population invests in the stock market, compared to 27% in the United States and 10% in China.



Fig 1: Nifty 50 Chart of Different Years

Table 1: Investors Decision Makers in Share Market and other Place

Investment Opportunity in Share Market	Monthly Income Investment	Investment Priority		
		Primary	Secondary	Other
Broker	16%	2%	6%	2%
Friends/Other	12%	2%	7%	7%
Media	18%	4%	8%	2%
Own Study	22%	6%	10%	4%
Investment Advisor	32%	7%	12%	14%
Total	100%	28%	43%	29%

Source- Author Compilation Based on Data from own Survey Source Result-

On the basis of a survey of primary, find the investment opportunity in share market through own study media and investment advisor are very high according to the primary survey. I find that the investment opportunity of Broker, Friends /others is very low. So we prefer to media and

investment advisor. Maximum no. Of investor in the secondary market and often these they prefer share market and primary market.

Conclusion

To sum up the above points, it cannot be wrong to say that Indian stock banking is one of the most important stock banking in the world. It develops India as a new era in India in the banking sector in the 21st century. Today, most of the person engages in the stock market in India. This study traces a significant correction and change in the Indian stock market due to globalization. Market capitalization, the ratio of market capitalization to ADR/GDP to Gross Domestic Product (GDP), volatility, globalization of stock markets have led to an increase in the participation of foreign institutional investors in the Indian stock market, members of the brokers also increased.

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