Working of Stock Exchange in India- A Comparative study of BSE & NSE

Introduction to the Indian Stock Market-

- The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) are the two main stock exchanges in India (NSE). An initial public offering (IPO) is when a company initially lists its stock on a stock exchange. These shares can subsequently be traded on the secondary market by investors.
- Stocks worth INR 6,00,000 crores have been exchanged on India's two stock exchanges on several occasions. In India, the uninitiated frequently regard stock market investing as gambling, but a simple understanding of the stock market might change that perspective.

Participants of the Stock Market-

1. Securitires and Exchange Board Of India

- SEBI is the regulator of stock markets in India and ensures that securities markets in India work in order

2.BSE & NSE (The Stock Exchanges)

- The stock market is an avenue where investors trade in shares, bonds, and derivatives
  - The two major stock exchanges in india are BSE & NSE

3.Stock Brokers

- A broker is an intermediary (person or a firm) that executes buy and sell orders for investors in return of a fee or a commission.

4. Investors & Traders

- Investors are individuals who purchase stocks to become part owners in the company. Trading involves buying or selling this equity.

Difference between BSE & NSE-

1. **BSE-**

- The Bombay Stock Market (BSE) is an Indian stock exchange based in Mumbai's Dalal Street. Mr. Premchand Roychand, one of India's most powerful industrialists in the nineteenth century, founded it.
- The BSE is Asia's oldest stock exchange. In the year 1875, it was known as "The Native Share & Stock Brokers Association." Under the Securities Contract Regulation Act, 1956, the BSE was officially recognized by India's Central Government as the country's principal Stock Exchange in 1957.
- The Sensex was created in 1986 as the first stock index to serve as a foundation for recognizing the exchange's top 30 trading companies across more than ten categories. The BSE Online Trading System (BOLT) was launched in 1995.
- In addition, as of April 2018, BSE is the world's tenth largest stock exchange marketplace, with a market capitalization of over $2.3 trillion.

2. **NSE-**

- The National Stock Market of India (NSE) is India's newest stock exchange, having launched in 1992. The NSE was India's first exchange to offer a cutting-edge, completely automated, screen-based electronic trading system.
- It provided investors from all around the country with a simple trading platform. NSE's MD and CEO is Mr. Vikram Limaye.
- In India, the NSE launched the advanced electronic trading system for the first time in 1992, removing the paper-based settlement system from trading.
- NSE was established as a tax-paying corporation a year later, in 1993, and thereafter registered as a Stock Exchange under the Securities Contract Regulation Act.

3. Key differences between BSE and NSE-

Basis for Comparison	BSE	NSE
Brief Introduction	It is the oldest stock exchange marketplace not just for the India but Asia as well, which offers high speed trading to its customers.	It is the biggest stock exchange marketplace of the India along with a front runner in the introduction of the fully automated, electronic trading system across the country.
Founded	1875	1992
Benchmark Index	Sensex 30	Nifty 50
Listed companies	5749	1696
Network	Over 450 cities	Over 1500 cities
Liquidity	Comparably lower than NSE	In case of liquidity, NSE is a clear winner, since volumes traded in NSE are much higher compared with BSE.

Note: This working is as per our research and it cannot be considered as complete data. It is as per our knowledge. There can be modification in the contents of this working from time to time as and when required.

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