

CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled “**A study on growth in Indian financial derivatives market**”, is a bonafide work carried out by **Ms. Pooja Jindal** of MBA 2014-16 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide

Signature of Head (DSM)

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Place:

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DECLARATION

I, **Pooja Jindal** , student of MBA 2014-16 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Report on “**A study on growth in Indian financial derivatives market** ”, submitted in partial fulfillment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the report is authentic to the best of my knowledge.

This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship

Pooja Jindal

Place:

Date:

ACKNOWLEDGEMENT

I offer my sincere thanks and humble regards to **DELHI SCHOOL OF MANAGEMENT Delhi Technological University Bawana Road Delhi 110042** for imparting me a very valuable professional training in MBA.

I pay my gratitude and sincere regards to **Dr. Archana Singh**, my project guide for giving me all her support and knowledge. I am thankful to her as she has been a constant source of advice, motivation and inspiration. I am also thankful to her for giving her suggestions and encouragement throughout the project work.

I take the opportunity to express my gratitude and thanks to our computer Lab staff and library staff for providing me opportunity to utilize their resources for the completion of the project.

I am also thankful to my family and friends for constantly motivating me to complete the project and providing me an environment which enhanced my knowledge.

I would be failing in my duty if I do not express my deep sense of gratitude to **Shri P.K. Suri**, H.O.D. and all the faculty members for their valuable advice and guidance in this project.

EXECUTIVE SUMMARY

The emergence of market for derivatives products, most notably forwards, futures and options, can be tracked back to the willingness of risk-averse economic agents to guard themselves against uncertainties arising out of fluctuations in asset prices. Derivatives are risk management instruments, which derive their value from an underlying asset. The following are three broad categories of participants in the derivatives market Hedgers, Speculators and Arbitraders. Prices in an organized derivatives market reflect the perception of market participants about the future and lead the price of underlying to the perceived future level. In recent times the Derivative markets have gained importance in terms of their vital role in the economy. The increasing investments in stocks (domestic as well as overseas) have attracted my interest in this area. Numerous studies on the effects of futures and options listing on the underlying cash market volatility have been done in the developed markets. The derivative market is newly started in India and it is not known by every investor, so SEBI has to take steps to create awareness among the investors about the derivative segment. In cash market the profit/loss of the investor depends on the market price of the underlying asset. The investor may incur huge profit or he may incur huge loss. But in derivatives segment the investor enjoys huge profits with limited downside. Derivatives are mostly used for hedging purpose. In order to increase the derivatives market in India, SEBI should revise some of their regulations like contract size, participation of FII in the derivatives market. In a nutshell the study throws a light on the derivatives market.

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