A Study on Risk Management Strategies in the Indian Stock Market

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Abstract: *The Indian stock market is one of the world's fastest-growing and most volatile financial environments, playing a pivotal role in capital formation, wealth creation, and economic progress. Yet its sensitivity and complexity to domestic and global events render it extremely vulnerable to numerous risks. Consequently, efficient risk management by the Indian stock market is imperative for the sustenance of investor confidence, fair practice, and long-term viability. This research paper examines the forms and types of risks in the Indian stock market and assesses conventional and technological frameworks used to contain them. It presents an analytical comparison of regulatory and institutional risk-minimizing initiatives, such as the Securities and Exchange Board of India (SEBI), stock exchanges like NSE and BSE, and newer developments like algorithmic risk detection, circuit breakers, and AI-based surveillance. By drawing on empirical evidence, policy reports, and case studies, the paper maps areas of risk governance gap and makes practical suggestions to strengthen systemic stability, transparency, and investor protection.*

Keywords: Indian stock market, risk management, SEBI, NSE, BSE, algorithmic trading, circuit breakers, AI surveillance, financial regulation, investor protection, market volatility, systemic risk, capital markets, regulatory frameworks, technological interventions

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