

ABSTRACT

The study aims is determining the Equity Risk Premium for Indian market. The paper discuss about the techniques in general used for the purpose of estimation of ERP, and how each method is or not suitable in determining the ERP for India. In particular, we compare the ERP derived through the implied risk premium, one of the three methods, of India and USA (S&P 500). We then attempt to derive the equity risk premium for CNX NIFTY. Fifty selected companies listed under CNX NIFTY are used for the study. Method of Implied Risk premium was used to calculate the ERP for CNX NIFTY.

Key words; Equity Risk Premium, Implied premium method, CNX NIFTY