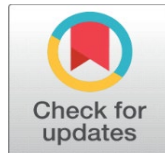


INDIA'S EQUITY CASH SEGMENT: EVIDENCE FROM BSE, NSE AND MSEI

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ABSTRACT

The equity cash segment in India constitutes the core of its capital market by enabling efficient price discovery, liquidity creation, and supporting capital formation. During the last decade, the equity market in India has undergone massive transformation owing to technological innovation, regulatory reforms, enhanced market infrastructure, and a rapid increase in retail investor participation. This study presents a comparative analysis of the performance and development of the equity cash segment across the three recognized stock exchanges in India, namely, the Bombay Stock Exchange (BSE), the National Stock Exchange (NSE), and the Metropolitan Stock Exchange of India (MSEI) over the period from 2013-14 to 2024-25. The analysis of this study is based on secondary data collected from the Securities and Exchange Board of India (SEBI) and the annual publications of the respective stock exchanges for the period under study. Key indicators such as listed companies, traded quantity, turnover, market capitalization and benchmark indices, are examined using descriptive statistics and Compound Annual Growth Rate (CAGR). The findings reveal significant expansion in India's equity market. The NSE is maintaining leadership in trading activity and liquidity, while the BSE continues to play an important role in market breadth and capital mobilization. Market presence of MSEI is limited, but its inclusion provides a comprehensive assessment of India's exchange ecosystem.

Keywords: Equity Cash Segment, Indian Capital Market, Stock Exchanges, BSE, NSE, MSEI, Trading Activity, Market Capitalization, Market Development

1. INTRODUCTION

The capital market is a vital component of a country's financial system, facilitating the mobilization and efficient allocation of long-term financial resources to productive sectors of the economy. By connecting investors with corporations seeking capital, capital markets promote investment, technological innovation, industrial expansion, employment generation and sustainable economic growth. Among its various segments, the equity market performs particularly an important role by enabling companies to raise permanent capital and at the same time allowing investors to participate in corporate ownership and wealth creation. Well-developed equity markets improve resource allocation, enhance corporate

governance through market discipline, increase financial inclusion, and strengthen the resilience of the financial system [Levine \(1997\)](#).

The equity cash segment constitutes the foundation of the secondary securities market, where listed equity shares are traded for immediate settlement. Unlike the derivatives segment, transactions in the cash market involve the actual transfer of ownership of securities and therefore reflect genuine investment and trading activity. The efficiency of the equity cash market is commonly evaluated through indicators, such as, the number of listed and actively traded companies, trading volume, turnover, market capitalization, liquidity and price discovery [Goel and Gupta \(2011\)](#), [Naik et al. \(2020\)](#) and [Goel et al. \(2021\)](#). A liquid and transparent cash market reduces transaction costs, facilitates efficient valuation of securities and attracts both domestic and international investors, thereby, contributing to overall financial market development [Organisation for Economic Co-Operation and Development. \(2023\)](#).

The equity market in India has experienced extraordinary structural transformation during the period under study. Despite several domestic and global challenges like, COVID-19 pandemic, geopolitical uncertainties, inflationary pressures and changing global monetary policies, faced between the financial years 2013-14 and 2024-25, India's equity market has witnessed noteworthy expansion, strong corporate earnings, sustained domestic institutional investment, and resilient macroeconomic fundamentals [Reserve Bank of India. \(2024\)](#), [Securities and Exchange Board of India. \(2024a\)](#).

Further, the rapid advancement in financial technology along with widespread adoption of electronic trading systems, dematerialization of securities, online brokerage platforms, mobile-based investing, algorithmic trading and advances in settlement infrastructure have profoundly changed the functioning of the securities market. Regulatory initiatives introduced by the Securities and Exchange Board of India (SEBI) such as enhanced disclosure standards, strengthened corporate governance requirements, integrated risk management systems, investor protection measures, and shorter settlement cycles, have meaningfully improved market transparency, operational efficiency, and investor confidence [Securities and Exchange Board of India. \(2024b\)](#). India has now become one of the first major markets to implement the T+1 settlement cycle, further improving market efficiency and reducing settlement risk.

The Indian equity cash segment is represented by three recognized stock exchanges namely, the Bombay Stock Exchange (BSE), the National Stock Exchange of India (NSE) and the Metropolitan Stock Exchange of India (MSEI). Established in 1875, the BSE is Asia's oldest stock exchange and has played an important role in the institutional development of India's securities market. The introduction of the NSE in 1994 marked a significant milestone in capital market modernization through nationwide electronic trading, screen-based order matching and advanced clearing and settlement mechanisms. All these innovations have transformed the competitive landscape and considerably improved market liquidity and operational efficiency. Although MSEI has a comparatively smaller market share, even then it contributes to market competition by providing an additional trading platform and promoting greater choice for market participants [BSE. \(2025\)](#), [National Stock Exchange of India. \(2025\)](#). The present study is aimed for comparative analysis of the performance and development of the equity cash segment across the three recognized stock exchanges in India.

2. REVIEW OF LITERATURE

Theoretical and empirical research on the topic has examined market efficiency, liquidity, trading activity, investor behaviour, and institutional development across both developed and emerging markets.

Levine (1997) in their study demonstrated that well-functioning capital markets facilitate efficient capital allocation, enhance corporate governance and accelerate economic growth by improving liquidity and reducing information costs. Similarly, Demirgüç-Kunt and Levine (1996) reported in their studies that countries with deeper and more liquid stock markets generally experience stronger financial sector development and higher economic growth. All these studies, thus, indicate that market liquidity and trading efficiency are important indicators of mature capital markets.

Ritter and Welch (2002) examined the theories related to equity issuance and investor behaviour. The authors highlighted the role of signaling, information asymmetry and behavioural factors in shaping financial markets. The authors argued that the market quality depends greatly on transparency, investor confidence and the effectiveness of market institutions.

Much research has been done on the transformation of Indian stock exchanges following the introduction of electronic trading. Sinha and Pan (2006) examined high-frequency trading data from the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) and found that both exchanges showed trading patterns similar to developed international markets. The authors found increasing integration between the two exchanges and highlighted the growing importance of trading activity and liquidity in determining the stock prices.

Using indicators such as market capitalization, turnover, trading volume, and liquidity, Goel and Gupta (2011) examined the impact of globalization on Indian stock-market development. The authors concluded that the globalization and financial-sector reforms significantly contributed to market expansion, improved trading activity, greater liquidity, and enhanced integration of India's stock market with global financial markets.

There has been much research on IPO pricing, market efficiency, and investor behaviour. Sehgal and Sinha (2013) examined the determinants of IPO valuation and observed that firm characteristics, prevailing market conditions and investor sentiment significantly influenced equity pricing. Similarly, highlighting the importance of investor psychology in emerging capital markets, Clarke et al. (2016) found that behavioural factors contributed to IPO underpricing and short-term stock performance.

There have been studies on the liquidity dimension of market quality. Kumar and Misra (2018) studied the liquidity of 50 mid-cap stocks listed on NSE using high frequency limit order book data from April to July 2015 to investigate the commonality in liquidity on India's NSE. The authors found that when overall market liquidity changes, the liquidity of individual stocks also tends to change, with market-wide liquidity having a stronger effect than industry-level liquidity on liquidity of individual stocks. They also found that this relationship was stronger for some sectors, particularly heavy manufacturing, and was more noticeable during rising markets

In one of the comparative studies of Indian stock exchanges, Jain et al. (2020) examined the weak form efficiency of the Indian Stock market based on the two major stock exchanges of India, viz., BSE (Bombay Stock Exchange) and NSE

(National Stock Exchange). Taking daily closing values for Sensex (BSE) and Nifty (NSE) indices for the period from April 2010 to March 2019, the authors found that stock prices were influenced by past prices, implying that the Indian stock market was not weak-form efficient and could potentially be outperformed. In another study involving examination of microstructure of BSE and NSE, [Goel et al. \(2021\)](#) found that both the exchanges were broadly similar with automated trading system, informationally inefficient as shown by predictability of returns, have shown growing trading statistics and a declining trend in volatility over the years.

[Naik et al. \(2020\)](#) examined liquidity in the Indian stock market using multiple dimensions, including trading volume, turnover, market depth, breadth, tightness, and immediacy. Using 352 NSE-listed stocks, the study demonstrated that liquidity is multidimensional and varies across stocks and market conditions, highlighting its importance for efficient market functioning and investor participation.

[Chatterjee et al. \(2024\)](#) conducted a systematic review of Indian IPO literature using bibliometric and PRISMA methodologies. The authors found that the existing studies predominantly focused on IPO underpricing, subscription behaviour, listing performance and issue characteristics. They also observed that comparatively fewer studies have examined stock exchange performance, trading activity and the liquidity dynamics of India's secondary equity market and recommended investigations into exchange-level development and long-term market competitiveness.

The [Securities and Exchange Board of India. \(2024a\)](#) and the [National Stock Exchange of India. \(2025\)](#) reports indicate that India's equity market has undergone unprecedented expansion during the last decade with rapid growth in Demat accounts, increase in participation by domestic retail investors, technological innovations and sustained growth in market capitalization. These developments suggest that exchange performance should be evaluated using multiple dimensions rather than relying solely on trading volume or stock price behaviour.

3. RESEARCH GAP

Literature review provides evidence that existing studies have largely examined stock market efficiency, volatility, initial public offerings and investor behaviour. However, there has been relatively limited research on comparative assessment of the equity cash segment across all three recognized stock exchanges using multiple indicators over an extended period. Further, the inclusion of MSEI along with the dominant BSE and NSE remains largely unexplored in the empirical literature, despite its relevance for evaluating competition and market structure. The present study provides a comparative analysis of the performance and development of India's equity cash segment across BSE, NSE, and MSEI during the financial years 2013-14 to 2024-25.

3.1. OBJECTIVES OF THE STUDY

The study aims to analyze the comparative performance and growth dynamics of India's equity cash segment across the three recognized stock exchanges i.e, BSE, NSE, and MSEI. The objective of the study is to examine the trend and growth pattern in the equity cash segment of BSE, NSE, and MSEI by analyzing major market development indicators, including the number of listed companies, number of trades, traded quantity, turnover, market capitalization and benchmark indices as well as to compare the relative performance of BSE, NSE and MSEI

4. RESEARCH METHODOLOGY

The present study adopts a quantitative, descriptive, and comparative research design to examine the performance and growth of India's equity cash segment across the three recognized stock exchanges. The study follows a longitudinal design, covering the period from 2013-14 to 2024-25, to evaluate changes in trading activity and market development over a period of 12 years. The period under study encompasses significant developments in the Indian securities market, including regulatory reforms, technological advancements, increased retail investor participation and the market disruptions associated with the COVID-19 pandemic.

The data has been gathered from SEBI's Handbook of Statistics on the Indian Securities Market. Supplementary information has been collected from the annual reports and publications of the BSE, the NSE and the MSEI.

5. DATA ANALYSIS AND INTERPRETATION

Using the secondary data from SEBI Handbook of Statistics on the Indian Securities Market and BSE, NSE, MSEI annual statistics, descriptive statistics have been calculated to summarize the key characteristics of the equity cash segment of the BSE, the NSE and the MSEI during the period from 2013-14 to 2024-25. The analysis includes the mean, standard deviation, coefficient of variation (CV), minimum value, and maximum value for each market indicator to evaluate the level, dispersion, and consistency of market performance over the study period.

5.1. TRENDS IN EQUITY CASH SEGMENT: THE BOMBAY STOCK EXCHANGE

The number of listed companies at BSE remained relatively stable with minor fluctuations. The trading activity, turnover, market capitalization and the Sensex exhibited substantial long-term growth, reflecting increased market depth, investor participation and overall market development during the period under study. [Table 1](#) below shows the BSE equity cash segment statistics during the period from 2013-14 to 2024-25.

Table 1

Table 1 Trends in Equity Cash Segment- The Bombay Stock Exchange (BSE)						
Financial Year	No. of Companies Listed	No. of Trades (Lakh)	Traded Quantity (Lakh)	Turnover (₹ crore)	Market Capitalization (₹ crore)	Sensex (Closing)
2013-14	5,336	3,632	4,79,951	5,21,664	74,15,296	22,386
2014-15	5,624	7,111	8,56,755	8,54,845	1,01,49,290	27,957
2015-16	5,911	4,117	7,62,545	7,40,089	94,75,328	25,342
2016-17	5,834	3,919	7,07,231	9,98,261	1,21,54,525	29,621
2017-18	5,619	3,586	7,71,603	10,82,968	1,42,24,997	32,969
2018-19	5,262	3,145	5,18,103	7,75,590	1,51,08,711	38,673
2019-20	5,377	3,248	5,73,548	6,60,896	1,13,48,757	29,468
2020-21	5,477	5,501	10,45,632	10,45,090	2,04,30,815	49,509
2021-22	5,350	7,949	16,22,190	13,38,225	2,64,06,501	58,569
2022-23	5,433	6,723	13,55,202	10,28,865	2,58,19,896	58,992
2023-24	5,252	8,263	21,20,712	16,29,038	3,86,97,100	73,651

2024-25	5,452	10,332	19,95,221	19,33,907	4,12,87,647	77,415
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Source: SEBI Handbook of Statistics on the Indian Securities Market and BSE annual statistics.

Table 2 below presents the descriptive statistics of key BSE equity cash market indicators (as given in Table 1), summarizing their central tendency, dispersion, and variability to facilitate analysis of market performance from 2013-14 to 2024-25.

Table 2

Table 2 Descriptive Statistics of Equity Cash Market Indicators of the BSE						
Variable	No. of Companies Listed	No. of Trades (Lakhs)	Traded Quantity (Lakhs)	Turnover (Rs crores)	Market Capitalization (Rcrores)	Sensex (Closing)
Mean	5,493.92	5,627.17	10,67,391.08	10,50,786.50	1,93,76,571.92	43,712.67
Standard Deviation	213.11	2,394.30	5,72,605.89	4,09,417.48	1,14,13,836.87	19,312.68
Coefficient of Variation (%)	3.88%	42.55%	53.65%	38.96%	58.91%	44.18%
Minimum	5,252.00	3,145.00	4,79,951.00	5,21,664.00	74,15,296.00	22,386.00
Maximum	5,911.00	10,332.00	21,20,712.00	19,33,907.00	4,12,87,647.00	77,415.00

It can be observed from Table 2 that the BSE recorded an average of 5,493.92 listed companies, with the number varying between 5,252 and 5,911 during the study period. The coefficient of variation of 3.88% indicates remarkable stability in the number of listed companies, reflecting BSE's long-established position as India's largest exchange in terms of corporate listings. The average number of trades was 5,627.17 lakhs. Although trading activity expanded considerably over the period, the coefficient of variation (42.55%) indicates noticeable fluctuations, largely reflecting changing investor participation and market sentiment. The average traded quantity was 1,067,391.08 lakh shares, with values ranging from 479,951 lakh to 2,120,712 lakh. The relatively high coefficient of variation (53.65%) suggests substantial changes in trading volume, particularly during periods of heightened market activity.

The average annual turnover amounted to Rs 10,50,786.50 crore, while the maximum turnover increased to Rs 19,33,907 crore during the study period. The coefficient of variation (38.96%) reflects significant expansion in trading value, supported by higher investor participation and improved market liquidity. All this data suggests the growing depth and efficiency of the BSE cash market in the period under study.

Market capitalization recorded the highest average value among all market indicators at Rs 1,93,76,571.92 crore, increasing from Rs 74,15,296 crore to Rs 4,12,87,647 crore during the study period. The coefficient of variation (58.91%) indicates substantial expansion in market size, reflecting higher equity valuations, new listings and sustained growth in the Indian capital market. The Sensex closed at an average level of 43,712.67 points, it increased from 22,386 points to 77,415 points over the study period. The coefficient of variation (44.18%) highlights considerable market appreciation despite intermittent periods of volatility, including the COVID-19 pandemic.

Overall, the descriptive statistics reveal that the BSE equity cash segment experienced significant growth for the period 2013-14 to 2024-25. Indicators such as market capitalization, turnover, traded quantity and the Sensex demonstrate substantial expansion, reflecting increasing market depth, improved liquidity, and stronger investor participation. Also, the 248 average number of trading days (as

observed in SEBI Handbook) remained highly stable, showing the uniform trading calendar followed by the Indian securities market

5.2. TRENDS IN EQUITY CASH SEGMENT: THE NATIONAL STOCK EXCHANGE (NSE)

The NSE recorded consistent increase in listed companies, trading activity, traded quantity, turnover, market capitalization, and the Nifty index during the period under study. Despite declines during 2019-20 and 2022-23, the overall trend reflects enhanced market liquidity, investor confidence, and sustained expansion of India's capital market. Table 3 below shows the data on the NSE equity cash segment from the period 2013-14 to 2024-25.

Table 3

Table 3 Trends in Equity Cash Segment-National Stock Exchange (NSE)

Financial Year	No. of Companies Listed	No. of Trades (Lakhs)	Traded Quantity (Lakhs)	Turnover (Rs crores)	Market Capitalization (Rs crores)	Nifty Closing
2013-14	1,688	14,432	15,33,716	28,08,488	72,77,720	6,704
2014-15	1,733	18,328	23,61,779	43,29,655	99,30,122	8,491
2015-16	1,808	18,518	22,01,771	42,36,983	93,10,471	7,738
2016-17	1,817	19,760	26,24,534	50,55,913	1,19,78,421	9,174
2017-18	1,931	24,914	37,71,836	72,34,826	1,40,44,152	10,114
2018-19	1,931	28,532	37,49,976	79,49,004	1,49,34,227	11,624
2019-20	1,949	31,460	46,74,057	89,98,811	1,12,43,112	8,598
2020-21	1,968	46,328	74,29,579	1,53,97,908	2,02,95,813	14,691
2021-22	2,065	55,710	76,10,250	1,65,66,257	2,62,19,159	17,465
2022-23	2,191	47,331	62,76,848	1,33,05,073	2,56,32,704	17,360
2023-24	2,439	68,125	1,01,79,861	2,01,03,439	3,84,21,668	22,327
2024-25	2,720	96,838	1,04,27,995	2,81,27,848	4,10,86,929	23,519

Source: SEBI Handbook of Statistics on the Indian Securities Market and NSE annual statistics.

Table 3 below shows the descriptive statistics of the NSE equity cash market indicators, highlighting their central tendency, dispersion and variability to provide an overview of the Exchange's trading performance and market development during the study period.

Table 4

Table 4 Descriptive Statistics of Equity Cash Market Indicators of the NSE

Variable	No. of Companies Listed	No. of Trades (Lakhs)	Traded Quantity (Lakhs)	Turnover (Rs crores)	Market Capitalization (Rs crores)	Nifty Closing
Mean	2,020.00	39,189.67	52,36,850.17	1,11,76,183.75	1,91,97,874.83	13,150.42
Standard Deviation	301.38	24,828.23	30,98,283.37	76,96,848.67	1,13,87,697.70	5,808.10
Coefficient of Variation (%)	14.92%	63.35%	59.16%	68.87%	59.32%	44.17%
Minimum	1,688.00	14,432.00	15,33,716.00	28,08,488.00	72,77,720.00	6,704.00
Maximum	2,720.00	96,838.00	1,04,27,995.00	2,81,27,848.00	4,10,86,929.00	23,519.00

Table 4 shows that the NSE recorded an average of 2,020 listed companies during the study period, these increased from 1,688 companies in 2013-14 to 2,720 companies in 2024-25. The coefficient of variation of 14.92% indicates relatively stable growth in the number of listed companies, reflecting the gradual expansion of the Exchange. The results stated an average of 39,189.67 lakh trades, with the coefficient of variation of 63.35%, reflecting, thereby, a fast expansion in trading activity, supported by increasing retail participation, technological advancement, and higher market liquidity. The average traded quantity amounted to 52,36,850.17 lakh shares. Further, the coefficient of variation (59.17%) indicates noteworthy growth in trading volume during the study period. Average annual turnover of Rs 1,11,176,183.75 crore, with a relatively high coefficient of variation of 68.87% shows substantial growth in the value of transactions executed on the Exchange and reflects the increasing depth and liquidity of the NSE cash market.

The average market capitalization of NSE stood at Rs 1,91,97,874.83 crore, increasing from Rs 7,277,720 crore to Rs 4,10,86,929 crore during the study period. The coefficient of variation of 59.32% also reflects significant expansion in market value, driven by rising equity prices, new listings, and sustained investor participation. The average Nifty index (13,150.42 points), rising from 6,704.20 points to 23,519.35 points point to the substantial appreciation in market performance despite intermittent periods of volatility associated with domestic and global economic developments.

Thus, the NSE experienced remarkable expansion in its equity cash segment during the study period. Significant increase in trading turnover, traded quantity, number of trades, market capitalization, and the Nifty index reflect the Exchange's dominant position in India's equity market. These results reinforce the view that the NSE has been the principal driver of liquidity, price discovery and market development in India's equity cash segment during the study period. The data from SEBI Handbook of statistics also showed that NSE followed uniform trading calendar throughout the study period.

5.3. TRENDS IN EQUITY CASH SEGMENT: METROPOLITAN STOCK EXCHANGE OF INDIA (MSEI)

The number of listed companies in MSEI increased substantially from 12 to 263 during the period under study. But the trading activity, traded quantity, and turnover were found to be consistently low, indicating limited market participation and liquidity. In contrast, market capitalization and the SX40 index exhibited significant long-term growth, reflecting broader market valuation gains despite less trading volumes on the Exchange. Table 5 below shows the performance of the MSEI from 2013-14 to 2024-25.

Table 5

Table 5 Trends in Equity Cash Segment-Metropolitan Stock Exchange of India (MSEI)						
Financial Years	No. of Companies Listed	No. of Trades (Lakhs)	Traded Quantity (Lakhs)	Turnover (Rs crores)	Market Capitalization (Rs crores)	SX40 Closing
2013-14	12	17	1,970	11,185	72,39,670	13,298
2014-15	82	0	0	0	98,25,990	16,692
2015-16	161	0.19	241	206	91,82,759	15,335
2016-17	241	0.2	145	248	1,18,31,271	17,858
2017-18	270	0.03	152	193	1,38,96,724	19,686

2018-19	287	0.02	14	30	1,47,51,584	22,743
2019-20	295	0.01	13	28	1,10,34,811	17,121
2020-21	298	0	5	11	1,94,88,804	29,011
2021-22	294	0.08	49	43	2,41,77,249	34,411
2022-23	287	0.01	24	44	2,51,57,438	33,505
2023-24	266	0	20	29	3,83,56,305	42,417
2024-25	263	0.01	39	26	4,18,54,174	44,412

Source: SEBI Handbook of Statistics on the Indian Securities Market and MSEI annual statistics.

Table 6 below shows the descriptive statistics (central tendency, dispersion and variability of key variables) of the MSEI equity cash market indicators, providing insight into the Exchange's trading performance, market activity and overall development during the period from 2013-14 to 2024-25.

Table 6

Table 6 Descriptive Statistics of Equity Cash Market Indicators of the MSEI

Variable	No. of Companies Listed	No. of Trades (Lakhs)	Traded Quantity (Lakhs)	Turnover (Rs crores)	Market Capitalization (Rs crores)	SX40 Closing
Mean	229.67	1.46	222.67	1,003.58	1,88,99,731.58	25,540.75
Standard Deviation	94.26	4.89	555.42	3,207.47	1,14,39,920.00	10,868.85
Coefficient of Variation (%)	41.04%	334.60%	249.44%	319.60%	60.53%	42.55%
Minimum	12	-	-	-	72,39,670.00	13,298.00
Maximum	298	17	1,970.00	11,185.00	4,18,54,174.00	44,412.00

Table 6 above shows that MSEI recorded an average of 229.67 listed companies during the study period, with the number increasing from 12 companies to 298 companies. The coefficient of variation indicates moderate variation in the listing base, reflecting the gradual expansion of the Exchange during the initial years of its operations. The average number of trades was only 1.46 lakh, increasing from a negligible 0.0023 lakh to 17 lakh trades during the study period. The exceptionally high coefficient of variation (334.60%) indicates substantial year-to-year fluctuations in trading activity, reflecting the relatively low and uneven level of market participation. The average traded quantity of 222.67 lakh shares and the coefficient of variation of 249.44% demonstrates considerable variability in trading volume, indicating that trading activity remained inconsistent throughout the study period. The high coefficient of variation of 319.60% of turnover highlights substantial fluctuations in the value of transactions, reflecting the relatively small trading base and uneven market activity on the Exchange.

Increase in market capitalization during the study period, with coefficient of variation of 60.53% reflects substantial growth in the market value of listed companies, despite comparatively low trading activity. This indicates that market capitalization alone does not necessarily translate into higher trading liquidity. Further, the SX40 index indicates moderate fluctuations in index performance, reflecting changing market conditions during the period.

Thus, the above data points indicate that MSEI remained a relatively small participant in India's equity cash market during the study period. While the Exchange recorded growth in market capitalization, listed companies, and the SX40 index, key trading indicators including the number of trades, traded quantity and turnover displayed exceptionally high coefficients of variation, reflecting irregular and relatively low trading activity. The wide disparity between market capitalization and trading turnover suggests that, despite an expanding listing base, the Exchange was unable to generate trading volumes comparable to those of BSE and NSE. This shows comparatively limited contribution of MSEI to market liquidity and trading activity within India's equity cash segment during the study period.

Table 7**Table 7 Comparative Statement of Compound Annual Growth Rate (CAGR*) of Major Equity Cash Market Indicators of BSE, NSE and MSEI**

Indicators	BSE CAGR (%)	NSE CAGR (%)	MSEI CAGR (%)
Number of Listed Companies	0.2	4.43	32.53
Number of Trades	9.98	18.93	-7.12
Traded Quantity	13.84	19.08	31.2
Turnover	12.66	23.28	8.06
Market Capitalization	16.91	17.06	17.3
Benchmark Index (Sensex/Nifty/SX40 – Closing)	11.99	12.13	11.58

*CAGR has been calculated using the beginning and ending values of all the indicators from 2013-14 to 2024-25

It can be seen from [Table 7](#) that MSEI recorded the highest compound annual growth rate (CAGR) in the number of listed companies (32.53%), followed by NSE (4.43%) and BSE (0.20%). The exceptionally high growth rate for MSEI is attributable to its relatively small listing base during the initial years of the study period, whereas BSE maintained a large and relatively stable listing base throughout the period. It has also been observed that the trading activity expanded significantly on NSE, with the number of trades increasing at a CAGR of 18.93%, compared with 9.98% for BSE. MSEI recorded a negative growth rate (-7.12%), suggesting that trading activity remained weak and inconsistent throughout the study period.

The results in the above Table report that the MSEI reported a comparatively high CAGR (31.20%) in traded quantity, but this was because the CAGR was calculated from a very small initial trading base. On the other hand, the NSE achieved a high CAGR in traded quantity of 19.08%, reflecting sustained growth in market liquidity and trading volume, followed by the BSE (13.84%). Trading turnover increased across all three Exchanges during the study period. NSE recorded the highest CAGR (23.28%), followed by BSE (12.66%) and MSEI (8.06%). The higher growth in NSE turnover reflects its expanding investor base, greater market liquidity, and dominant position in India's equity cash market. It was also observed that the

market capitalization expanded at a similar rate across all three exchanges. The comparable growth rates indicate that the overall valuation of listed companies increased substantially during the study period, reflecting the expansion of the Indian equity market irrespective of differences in trading activity. The benchmark indices also recorded steady long-term appreciation. The Nifty registered the highest CAGR (12.13%), followed closely by the Sensex (11.99%) and SX40

(11.58%). The similar growth rates suggest that the overall equity market experienced sustained appreciation over the twelve-year period.

6. COMPARATIVE STATEMENT OF MAJOR EQUITY CASH MARKET INDICATORS FOR 2024-25

India's equity cash market is such where the BSE provides a broad listing platform, NSE serves as the primary venue for trading and liquidity and MSEI plays a relatively limited role in the secondary market.

Table 8

Table 8 Exchange-wise Comparative Analysis of Major Equity Cash Market Indicators of BSE, NSE and MSEI for the Financial year 2024-25

Indicator	BSE	NSE	MSEI	Leading Exchange
Listed Companies	5,452	2,720	263	BSE
Companies Traded	4,463	3,784	11	BSE
Trading Days	249	249	249	Equal
Number of Trades (Lakhs)	10,331.72	96,838.12	0.01	NSE
Traded Quantity (Lakh Shares)	19,95,220.62	1,04,27,995.41	39.31	NSE
Turnover (Rs Crore)	19,33,907.42	2,81,27,848.23	26.24	NSE
Average Daily Turnover (Rs Crores)	7,766.70	1,12,963.25	0.11	NSE
Average Trade Size (Rs)	18,718.16	29,046.26	355,503.25*	MSEI*
Market Capitalization (Rs Crore)	4,12,87,646.50	4,10,86,929.01	4,18,54,173.83	Comparable
Closing Index	77,414.92 (Sensex)	23,519.35 (Nifty)	44,411.52 (SX40)	Not directly comparable

Source: Author's compilation from SEBI Handbook of Statistics on the Indian Securities Market and annual reports of BSE, NSE and MSEI.

*The unusually high average trade size for MSEI is attributable to extremely low trading frequency.

In [Table 8](#), shows that highest number of companies are listed in BSE, which highlights BSE's long-established position as India's leading listing platform, offering a broader corporate base than the other recognized stock exchanges. BSE also recorded the highest number of actively traded companies (4,463) compared with 3,784 on NSE and only 11 on MSEI. The results of the study indicate that BSE has continued to maintain wider market coverage in terms of securities available for trading. Further, all the three exchanges have recorded 249 trading days during this period, reflecting a common trading calendar and uniform regulatory framework governing equity market operations in India. NSE has overwhelmingly dominated trading activity, recording 96,838.12 lakh trades, followed by 10,331.72 lakh trades on BSE, whereas MSEI recorded only 0.01 lakh trades, indicating extremely limited trading activity. The substantial difference provides evidence of NSE's dominant role in facilitating equity transactions. NSE reported the highest traded quantity (more than five times that of BSE) with MSEI recording only 39.31 lakh shares, reflecting its negligible contribution to overall trading volume. Trading turnover also exhibited a similar pattern, indicating that MSEI's share in the equity cash

market has remained insignificant. The average daily turnover further confirms the dominance of NSE. MSEI's highest average trade size (Rs 355,503.25), followed by NSE (Rs 29,046.26) and BSE (Rs 8,718.16) is mainly due to MSEI's extremely low trading frequency, as a small number of relatively high-value transactions inflates the average trade size and therefore does not reflect greater market efficiency or liquidity.

Further, the closing values of the indexes, ie Sensex, Nifty 50, and SX40 differed substantially because each index represents a different set of constituent companies, methodology, and base year. Accordingly, their absolute index values are not directly comparable.

7. FINDINGS OF THE STUDY

The empirical analysis of this study shows substantial structural transformation in India's equity cash segment during the period 2013-14 to 2024-25, characterized by sustained growth in market size, liquidity, and investor participation. Among the three recognized stock exchanges of India, the NSE has consistently maintained its leadership in terms of trading volume, turnover, average daily turnover, and market liquidity. Its performance reflects the advantages of advanced trading infrastructure, widespread institutional participation and technological innovation. These findings are consistent with the evidence reported by [Goel et al. \(2021\)](#), who observed higher trading efficiency and liquidity in the NSE relative to the BSE.

The BSE has continued to maintain a significant competitive advantage in terms of the number of listed companies and market breadth. Although its share in trading turnover has remained lower than that of the NSE, the exchange demonstrated consistent growth in market capitalization and continued to play a pivotal role in capital mobilization. The findings, therefore, indicate that both exchanges perform complementary rather than competing functions within India's capital market, thereby, contributing to greater market efficiency and investor choice.

The MSEI exhibited relatively limited trading activity throughout the study period. Nevertheless, it provides an additional trading platform in India's evolving exchange ecosystem.

8. CONCLUSION

The study concludes that the equity cash segment in India has become substantially deeper, more liquid and operationally efficient during the period under examination. Continuous technological innovation, stringent regulatory oversight and growing investor participation have significantly enhanced the resilience and competitiveness of the Indian capital market. The study infers that NSE dominates trading activity and liquidity, but BSE continues to play a vital role in corporate listings, whereas MSEI is still to establish a significant presence in the cash market.

9. LIMITATIONS OF THE STUDY

The study covers the equity cash segment of the three recognized Indian stock exchanges and does not include derivatives, currency, debt or commodity market segments. The analysis is focused on exchange-level market indicators and this study does not examine firm-level trading behaviour or security-specific performance.

10. SCOPE FOR FUTURE RESEARCH

Future research may extend the analysis by examining sector-wise trading behaviour and the influence of macroeconomic variables to further explain the dynamics of India's capital market.

CONFLICT OF INTERESTS

None.

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