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"Development of NSE Capital Market Segment"

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National Stock Exchange of India (NSE) Commenced trading operations in the equities segment (Capital Market Segment) firts time on 3 November, 1994 and within a short span of one year it became the largest Indian Exchange in terms of valumes transacted NSE's capital market segment provides an efficient and transparent platform for trading of equity, preference shares, debentures, warrants and exchange traded funds as well as Govt securities, mutual funds (close ended), India Depository receipts.

The NSE started wholesale Detp Market (WDM) Segment in June, 1994. Interestingly 3 November, 1995 is also the base-year for the CNX Nifty Index, on this day NSE's capital market segment completed one year and base value of the index has been set at 1000. Nifty is a term coined by combining the words "National" and "Fifty". CNX Nifty has been already launched in April, 1994. CNX stand for Credit Rating Information Services of India Limited (CRILIL) and NSE. The trading system of NSE known as the National Exchange for Automated Trading (NEAT). This System is as on line, fully-automated, screen based, nation wide, anonymous, order-driven trading system.

The NSE's member can select securities quantities and prices through computer at which he likes to trarsact. The transaction is excuted as soon as it find a matching sells or buy order from a counter parley on a price/time priority that match orders through electronically. Hence, cut down on time, cost and risk of error as well as on fraud resulting in improved operational efficiency. NEAT allows faster incorporation of price sensitive information into prevailing prices. The participants, to see the full market on real-time, making the market transparent in this system and it also a large number of participants, irrespective of their geographical location to trade with one another simultaneously, developed the depth and liquidity of the market. There are tremendous flexibility provided by this system to the users in terms of kinds to order.

Capital Market segment provide a platform for trading and not only computer terminals accessed from premises of broker spread over about 311 cities, but also trade through the internate to the investor of his homes by personal computers. Companies make

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IPO through book building to used NSE online trading system. The members enter bids an behalf of their clint on this platform. The system recurved all bids and stored in the book till the last day of the book building process. The offer price is determined after the bid closing date. This system reduces time taken for completion of the issue process.

The growth of NSE turnover figures shows a substantial rise from Rs. 1805 cr in the year 1994-95 to Rs. 67287 cr in the year 1995-96. It grow more than 32 times within one year and became largest exchange in India. The turnover, thereafter continuously increase upto Rs. 13,39,510 cr in 2000-2001 but suddenly turnover decrease in the next year. However it again maintain growth trend and reach upto Rs. 41,38,024 cr in 2009-10. The turnover decreased some years after 2009-10 but again pikup in 2016-17 and continuously grow and reach Rs. 153,97,908 cr in 2020-21 Thus it founded that the turnover of NSE Capital Market segment has been developed more than 8530 times from commenced operation in 1994-95 to 2020-21. It is tremendous development in turnover.

The NSE Started trading in capital market segment with as 135 listed companies in 1994-95 thereafter, numbers of companies increased listing for trading on this platform upto 1968 in 2020-21. The number of trading day's was maximum 255 in 201-11 under study period with 1607 securities traded and this year 15,507 lakh trader done trading. The number of securities traded with NSE capital market segment 1201 in 2000-01 and thereafter it shows mixed trend upto the year 2014-15 the trading number of securities started growth in 2015-16 and it reached on 3297 securities traded in 2020-21. Thus number of securities presented development trading along with NSE C.M. Segment platform.

The NSE capital market segment commenced operation in 1994-95 with three lakh traders. The number of traders increased from three lakh to 46,328 lakh within 27 years. Thus, it shows the interest of investors and companies on the platform of NSE for trading. The system of NSE is fully automated and updated technology based.

The market capitalisation of NSE capital market segment was Rs. 363,350 cr in starling year (1994-95) and provided 1805 cr turnover with help to only three lakh traders and 135 listed companies within 102 trading day's. The market capitalization has been increased in 1999-2000 and coved Rs. 10,20,426 cr with 984 lakh traders. The market capitalization comeback in next years but it pich up in 2002-03 and show growth upto rs. 1120976 cr. The market capitalization on NSE platform was Rs. 60,09,173 cr in 2009-10 with 10810 lakh traders means 556 cr per trader. In 2010-11 market capitalisation jump and gose on Rs. 67,02,616 cr while decreased next year. It cover in 2013-14 and tuch Rs. 72,77,720 cr with 14,432 lakh traders and it provide Rs. 28,08,488 cr turnover with 1688 listed companies

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where 2860 securities traded. Thereafter, market capitalisation continuously show upwordtrend and tuch Rs. 119,78,421 cr amount in 2016-17 where 19,760 lakh trader participated in trading and being Rs. 50,55,913 cr turnover in capital market Sigment of NSE. The market capitalization became two time within four years from 2016-17 to 2020-21 As per volume-wise from Rs. 1,19,78,421 cr to Rs. 2,02,95,813 cr. This is a tremendous development in the last four year to study. The number of traders also increase in the last four years from 19760 lakh to 46328 lakh. The turnover which was Rs. 50,55,913 cr in 2016-17 but increased three times in 2020-21 and show Rs. 15,397,908 cr (Table See). The number of listed companies and number of traded securities in last four years shows commen growth.

The brokerage charge on the capital market segment by trading member in respect of trades securities dealing is fixed at 2.5% of the contract price, exclusive of statutory levies like securities transaction tax. SEBI turnover fee, service tax and stamp duty. The brokerage charge is inclusive the sub-brokerage which shall not bee more than 1.5% of contact price.

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Growth in Capital Market Segment

Year	No. of Companies Listed	No. of Trading day's	No. of Securities Traded	No. of Traders (Lakh)	Turnover (Rs. In cr)	Market Capitalization (Rs. Cr) *
1994-95	135	102	-	3	1805	363,350
1995-96	422	246	-	66	67287	401459
1996-97	550	250	-	264	294,503	419367
1997-98	612	244	-	381	370193	481,503
1998-99	648	251	-	546	4,14,474	4,91,175
1999-2000	720	254	-	984	8,39,052	10,20,426
2000-01	785	251	1201	1676	13,39510	657,847
2001-02	793	247	1019	1753	5,13,107	6,36,801
2002-03	818	251	899	2398	6,17,989	5,37,133
2003-04	909	254	804	3780	10,99,535	11,20,976
2004-05	970	253	870	4510	11,40,071	15,85,585
2005-06	1069	251	956	6,088	15,69,556	28,13,201
2006-07	1,228	249	1191	7846	19,45285	33,67,350
2007-08	1381	251	1264	11,727	35,51,038	48,58,122
2008-09	1432	243	1327	13,651	27,52,023	28,90194
2009-10	1470	244	1968	10,810	41,38,024	60,09,173
2010-11	1574	255	1607	15,507	35,77,412	67,02,616
2011-12	1646	249	1807	14,377	28,10,893	60,96,518
2012-13	1666	250	1683	13,605	27,08,279	62,39,035
2013-14	1688	251	2860	14432	28,08,488	722,77,720
2014-15	1733	243	1603	18,328	43,29,655	99,30,122
2015-16	1808	247	1615	18,518	42,36,093	93,10,471
2016-17	1817	148	2484	19,760	50,55,913	119,78,421
2017-18	1931	246	2821	24,914	72,34,826	140,44,152
2018-19	1931	248	2960	28,532	79,49,004	149,34,227
2019-20	1949	247	3122	31,460	89,98,811	112,43,112
2020-21	1968	249	3297	46,328	1,53,97,908	202,95,813

Note :- * At the end of the period. No of Companies available for trading excludes suspended companies

w.e.f. January 2005, No. ofsecurities are provided instead of Number of Companies

ADT is Computed at segment level based on total trading days in the respective year across products.

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* Daily turnover data is presented after rounding off.
[Source : NSE of India website]

The NSE take transaction charged at the rate of 0.0035% (Rs. 3.50 per lakh) of the turnover on the member. The trading member are pay securities transaction tax (STT) on all delivery based transaction at the rate of 0.125% (payable by both buyers and sellers) but the rate 0.025% for equity (payable by the seller only) for non-delivered transaction.

The NSCCL (National securities clearing Corporation Limited) determines the fund/securities obligation of the trading member an ensure that trading member meet their obligation at NSE platform for trading.

Thus, it is find out that the NSE capital market segment in all aspect (as per table) on the NSE platform from the starling period. The companies take interest on NSE platform and then number of listing increased from 135 in 1994-95 to 1968 in 2020-21. The number of securities traded, traders, turnover and market capitalization also presented continuously growth. However, in the last four years of the study growth have jumped suddenly and reached record level It shows that the NSE automated trading system and trading transparency like by companies and investers through trading members in capital market segment of National Stock Exchange of India.

[Sources : National Stock Exchange of India, Publication
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