**ABSTRACT**

Capital market integration is the process by which capital markets are integrated with one another rather than segmented, leading to the convergence of market risk and price. The current study examines the co-movement between Bombay stock exchange (BSE) and National stock exchange (NSE). The study uses the daily closing price of major stock indices from 1st January 2007 to 31st December 2018. The research methodology tools include Augmented Dickey- Fuller (ADF) test and Phillips Perrson (PP) test for testing of stationarity and use of VAR (Value at Risk) techniques like Granger Causality test and Johansen and Juselius co-integration test in order to find the integration. The study found evidence for both the short-run and longrun relationship between the stock exchanges.