



IIM Visakhapatnam
Executive Certificate Program in Business Finance & Financial Modelling

Overview of Financial Markets

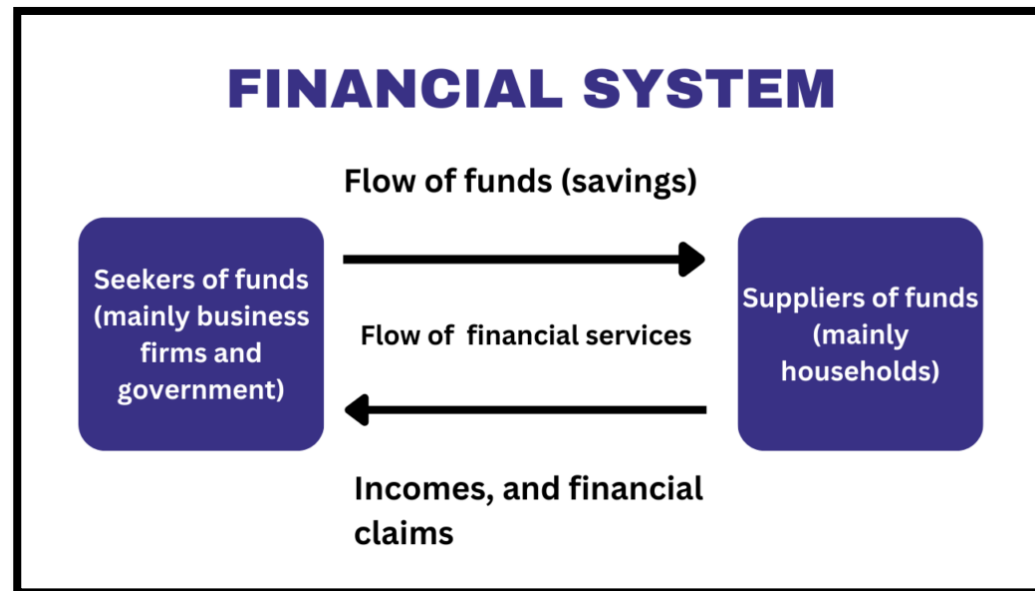
July 21st, 2024

Amol Agrawal

Ahmedabad University

What is a Financial System?

- Financial system
 - Group of financial institutions and markets that help match the saving of one person with the investment of another



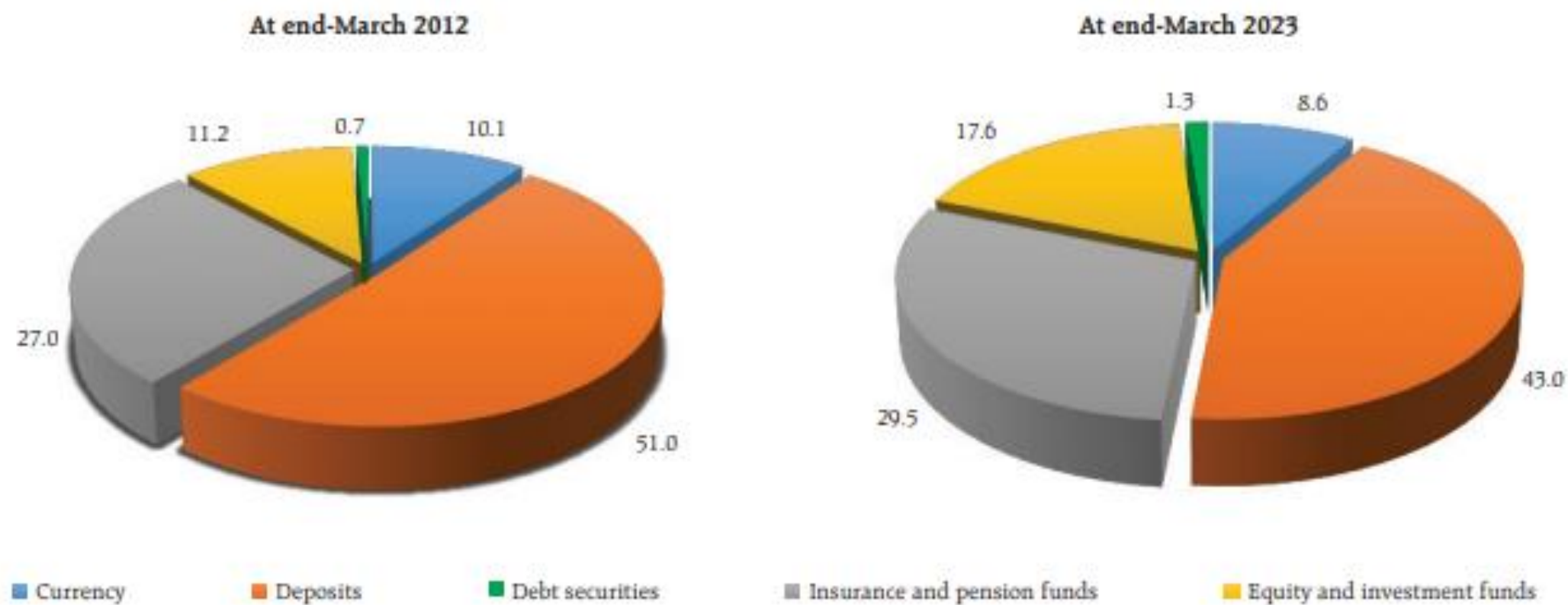
Where do savings come from?

- $\text{Income} = \text{Consumption} + \text{Savings}$
- $\text{Savings} = \text{Physical Savings} + \text{Financial Savings}$
- Financial Savings become Financial Assets
- Financial system create these financial assets enabling us to save.

Financial Assets

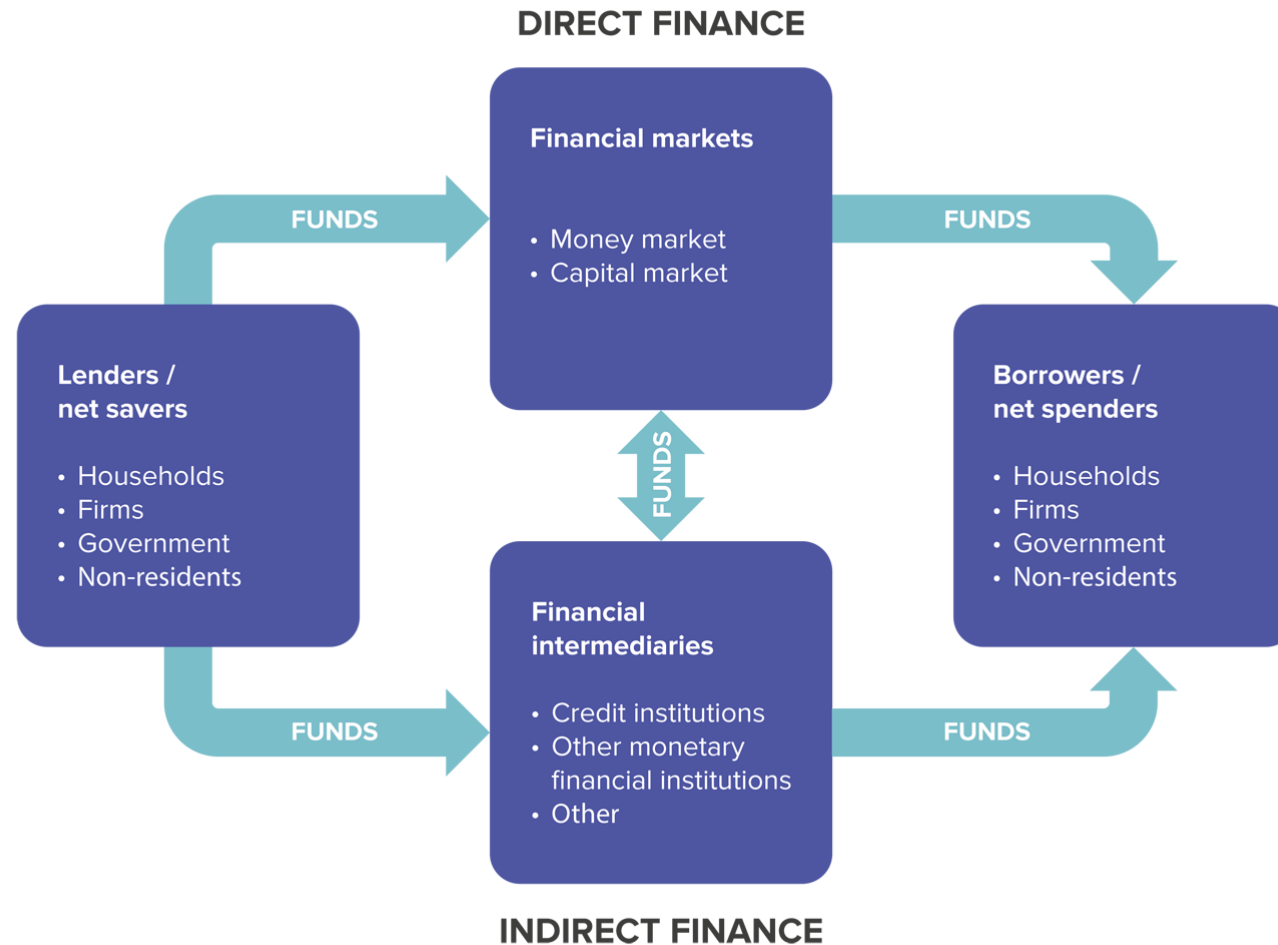
- Cash
- Bank Deposits
- Equity oriented
 - Stocks/Shares
 - Common Shares
 - Preference Shares
 - Equity Mutual Funds
- Debt oriented
 - Bonds
 - Fixed Deposits
 - Debt Mutual Funds
- Derivatives
 - Futures
 - Options
- Commodities
- Important Financial investments
 - Insurance
 - Pensions

Chart 4: Composition of Financial Assets

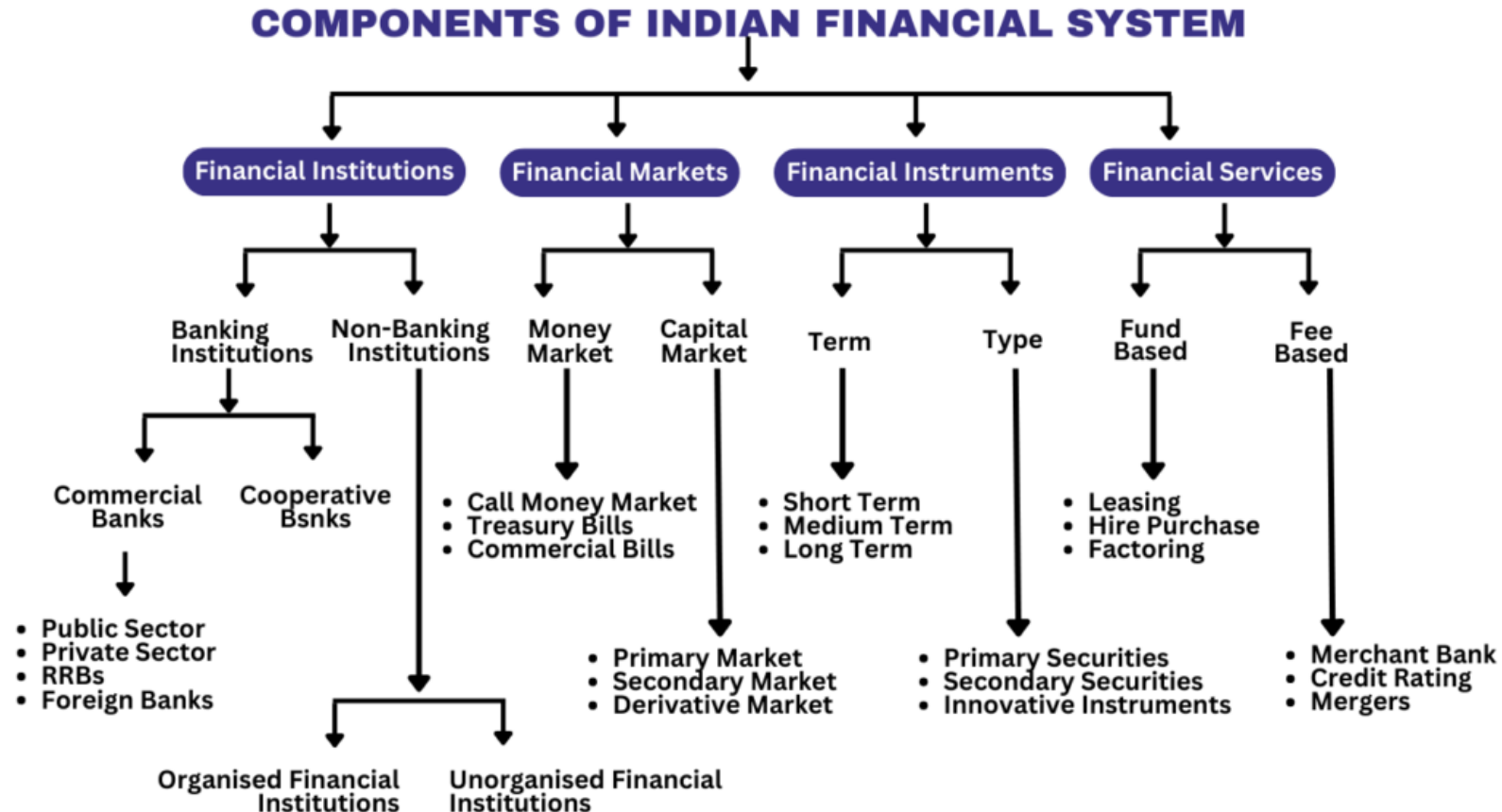


Source: Authors' calculation.

Financial System = Financial Markets + Financial Intermediaries



Components of Indian FS



Financial Markets

- Equity Markets
 - Primary Market vs. Secondary Market (next slide)
 - Spot markets: general share trading
 - Futures & Options Markets: general derivative trading
- Fixed Income Markets
 - Money markets
 - Bond Markets
 - Government Bond Market
 - Corporate Bond Market
 - Derivative Markets: interest rate swaps, interest rate futures
- Commodity Markets
 - Futures, Forwards and options

Primary Market vs Secondary Market

Features	Primary Market	Secondary Market
Definition	- Securities issued first time to the public.	- Trading of already issued and listed securities.
Also called as	- New Issue Market.	- Post Issue Market.
Price Determination	- By Issuer Company in consultation with Merchant Bankers.	- Supply and Demand Forces of Market.
Key Intermediaries	- Merchant Bankers and RTAs	- Stock Brokers and DPs.
Purpose	- Raise capital for expansion, diversification, etc.	- Trading of securities. - Providing liquidity to investors. - Raising further capital for expansion.

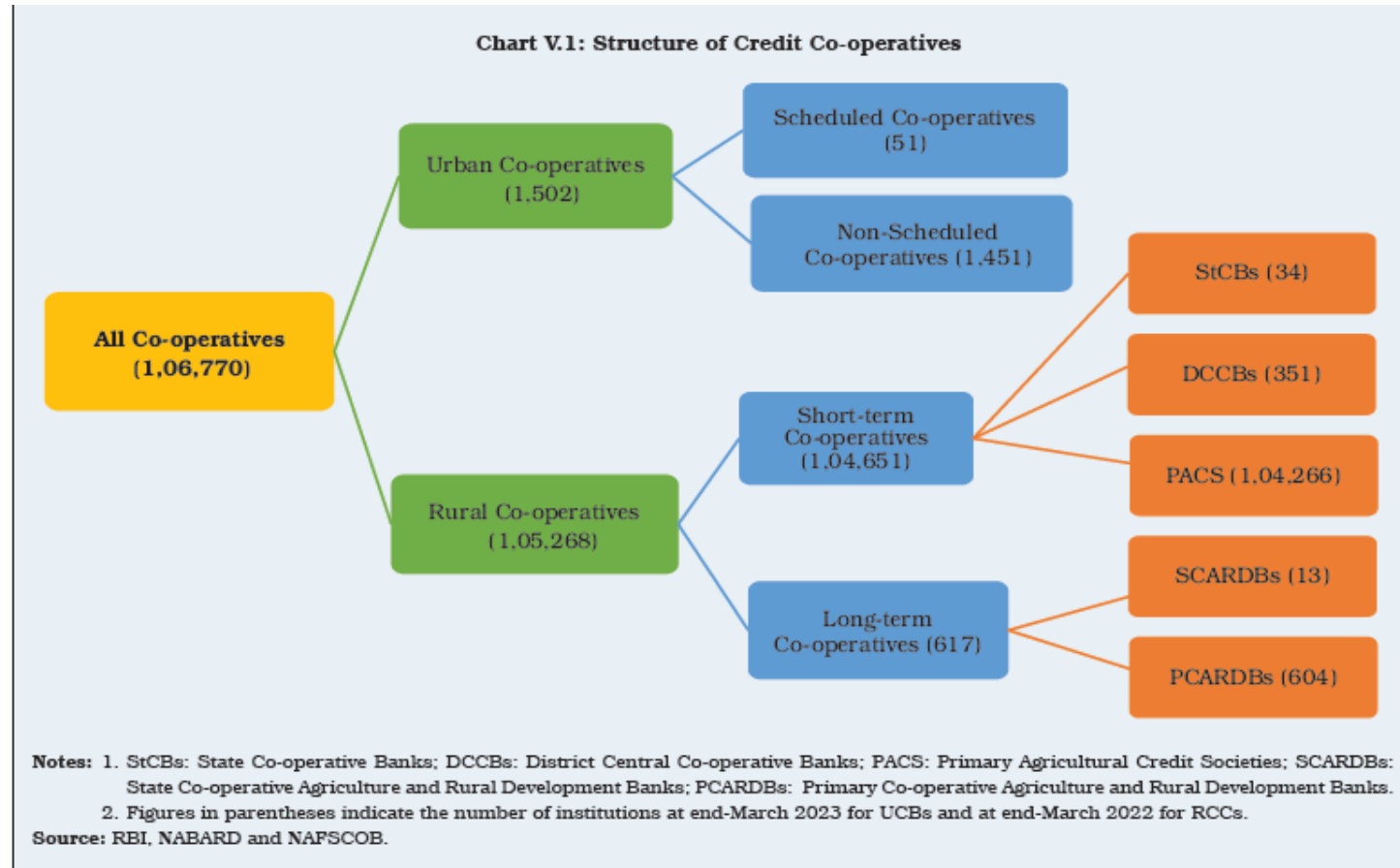
Financial Institutions

- Institutions through which savers provide funds to borrowers
- Also called as Financial Intermediaries
 - Banking Institutions
 - Non-Banking Institutions
 - Capital Market Institutions

Banking institutions

- Nationalised/Public Sector Banks (12)
- Private Sector Banks (21)
 - Old Private Sector Banks (10)
 - New Private Sector Banks (11)
- Foreign Banks (43)
- Local Area Banks (2)
- Small Finance Banks (12)
- Payment Banks (4)
- Regional Rural Banks (43)
- Cooperative Banks ...next slide

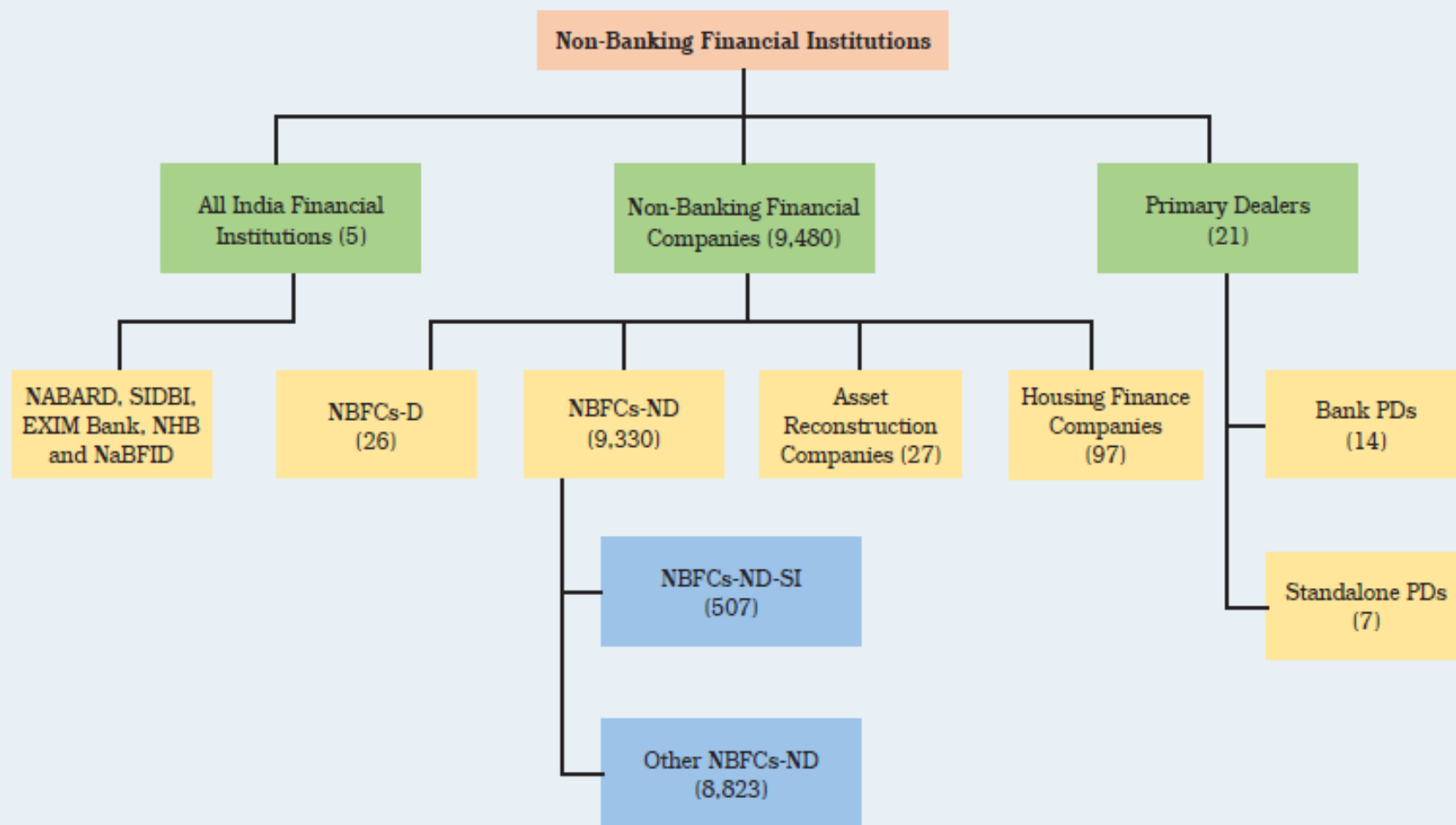
Cooperative Bank structure



How do different banks look?

	Advances	Deposits	% Of Total	% Of Total
Public Sector Banks	8,283,763.1	11,709,580.8	26.8	28.6
Private Sector Banks	5,366,675.3	6,299,332.0	17.4	15.4
Foreign Banks	491,029.4	855,825.0	1.6	2.1
Small Finance Banks	177,887.4	191,372.0	0.6	0.5
Payments Banks	0.1	12,173.7	0.0	0.0
All Scheduled Commercial Banks	14,319,355.3	19,068,283.5	46.4	46.6
Regional Rural Banks	386,951.0	608,509.0	1.3	1.5
Local Area Banks	957.0	1,189.0	0.0	0.0
Ucbs	330,325.0	533,255.0	1.1	1.3
Rural	766,470.0	833,844.0	2.5	2.0
State Coop Banks	238,919.0	240,953.0	0.8	0.6
District Coop Banks	336,546.0	412,573.0	1.1	1.0
Primary Societies	153,137.0	176,390.0	0.5	0.4
All Bank Institutions	30,852,015.5	40,943,280.1	100.0	100.0

Chart VI.1: Structure of NBFIs under the Reserve Bank's Regulation



- Notes:
1. Figures in parentheses indicate the number of institutions (Provisional).
 2. The number of NBFCs is at end-September 2023 and the number of HFCs is at end-March 2023.
 3. Based on asset/liability structure, NBFCs are categorised into deposit-taking NBFCs (NBFCs-D) and non-deposit taking NBFCs (NBFCs-ND). Within NBFCs-ND, NBFCs with asset size of ₹500 crore or more are called non-deposit taking systemically important NBFCs (NBFCs-ND-SI) and the remaining are other NBFCs-ND. Under scale based regulation (SBR), a layer-wise regulatory structure is envisaged for NBFCs. Accordingly, all references to NBFC-ND, NBFC-ND-SI and NBFC-D shall mean NBFC-BL, NBFC-ML or NBFC-UL, as laid out in the SBR framework.
 4. Although standalone PDs are registered as NBFCs under Section 45-IA of RBI Act, 1934, they have also been kept under PDs in this chart.
 5. NBFCs-ND includes 53 CICs.

Classification		Activity
1		2
1.	Investment and Credit Company (NBFC-ICC)	Lending which supports productive/economic activities and acquisition of securities for investment.
2.	NBFC-Infrastructure Finance Company (NBFC-IFC)	Infrastructure loans.
3.	Core Investment Company (CIC)	Investment in equity shares, preference shares, debt, or loans of group companies.
4.	NBFC-Infrastructure Debt Fund (NBFC-IDF)	Facilitation of flow of long-term debt post commencement operations date (COD) infrastructure projects which have completed at least one year of satisfactory performance and finance toll operate transfer project as the direct lender.
5.	NBFC-Micro Finance Institution (NBFC-MFI)	Providing collateral free small ticket loans to economically disadvantaged groups.
6.	NBFC-Factors	Acquisition of receivables of an assignor or extending loans against the security interest of the receivables at a discount.
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC)	Facilitation of promoters/ promoter groups in setting up new banks.
8.	Mortgage Guarantee Company (MGC)	Undertaking of mortgage guarantee business.
9.	NBFC-Account Aggregator (NBFC-AA)	Collecting and providing information about a customer's financial assets in a consolidated, organised, and retrievable manner to the customer or others as specified by the customer.
10.	NBFC-Peer to Peer Lending Platform (NBFC-P2P)	Providing an online platform to bring lenders and borrowers together to help mobilise funds.
11.	Housing Finance Company (HFC)	Financing for purchase/ construction/ reconstruction/ renovation/ repairs of residential dwelling units.

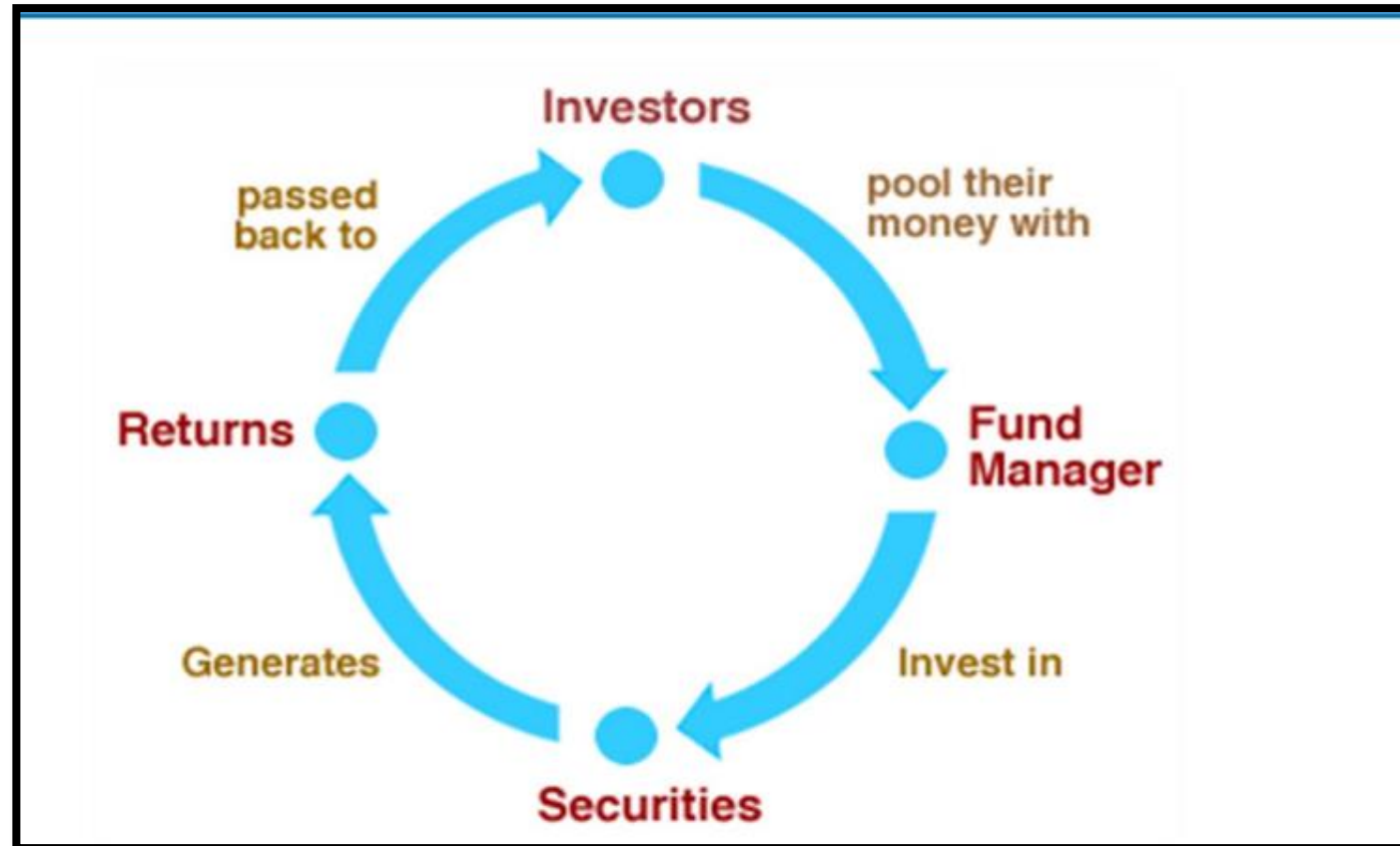
Banks vs NBFCs

	Indian Banking System	NBFCs	Banks/NBFCs
Capital and Reserves	2168339	1106643	2.0
Deposits	19068284	85254	223.7
Borrowings and other provisions	1957222	2327821	0.8
Other Liabilities	1124330	1017422	1.1
Total	24318174	4537139	5.4
Cash Balances with RBI	1168479		6.7
Balances with Banks	788397	174972	1.2
Investments	6436540	657723	9.8
Loans	14319355	3426970	4.2
Fixed Assets	173558		
Others	1431845	277474	5.2

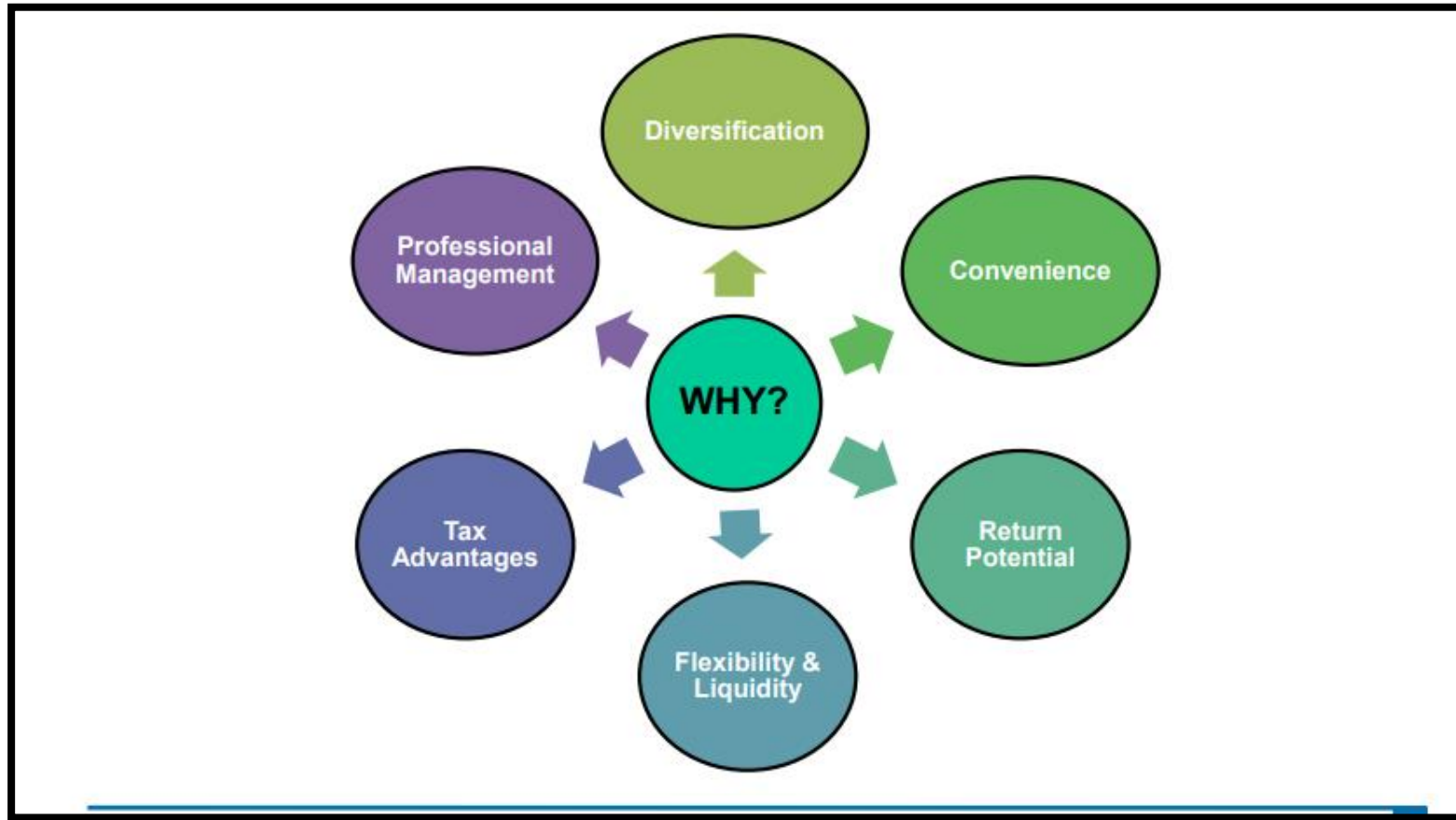
Capital Market Institutions

- Stock Exchanges
 - BSE
 - NSE: <https://www.nseindia.com/national-stock-exchange/nse-volume-business-growth>
- Commodity Market Exchanges
 - Multi Commodity Exchange
 - National Commodity and Derivative Exchange
- Merchant Bankers
- Brokerage Houses
- Asset Management Companies/Mutual Funds (next slide)
- Portfolio Management Schemes (PMS)
- Supporting institutions
 - Depository institutions (Dematerialisation): NSDL, CDSL
 - Clearing Corporations
 - Credit Rating Agencies

What is a Mutual Fund?



Why Mutual Fund?



Types of MFs

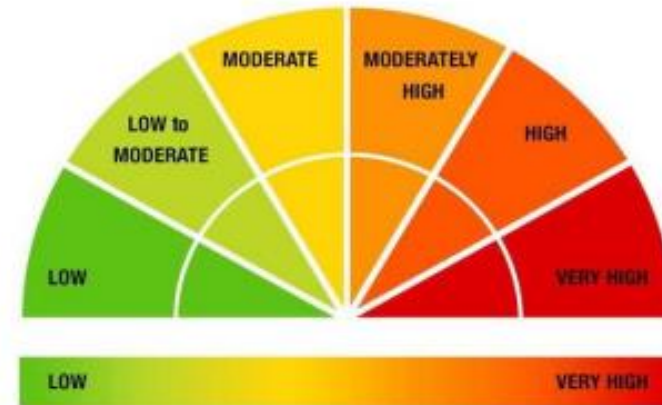
- **Mutual Funds**

a) Classification of mutual funds into 5 schemes:

- Equity Schemes
- Debt Schemes
- Hybrid Schemes
- Solution Oriented Schemes
- Other Schemes.

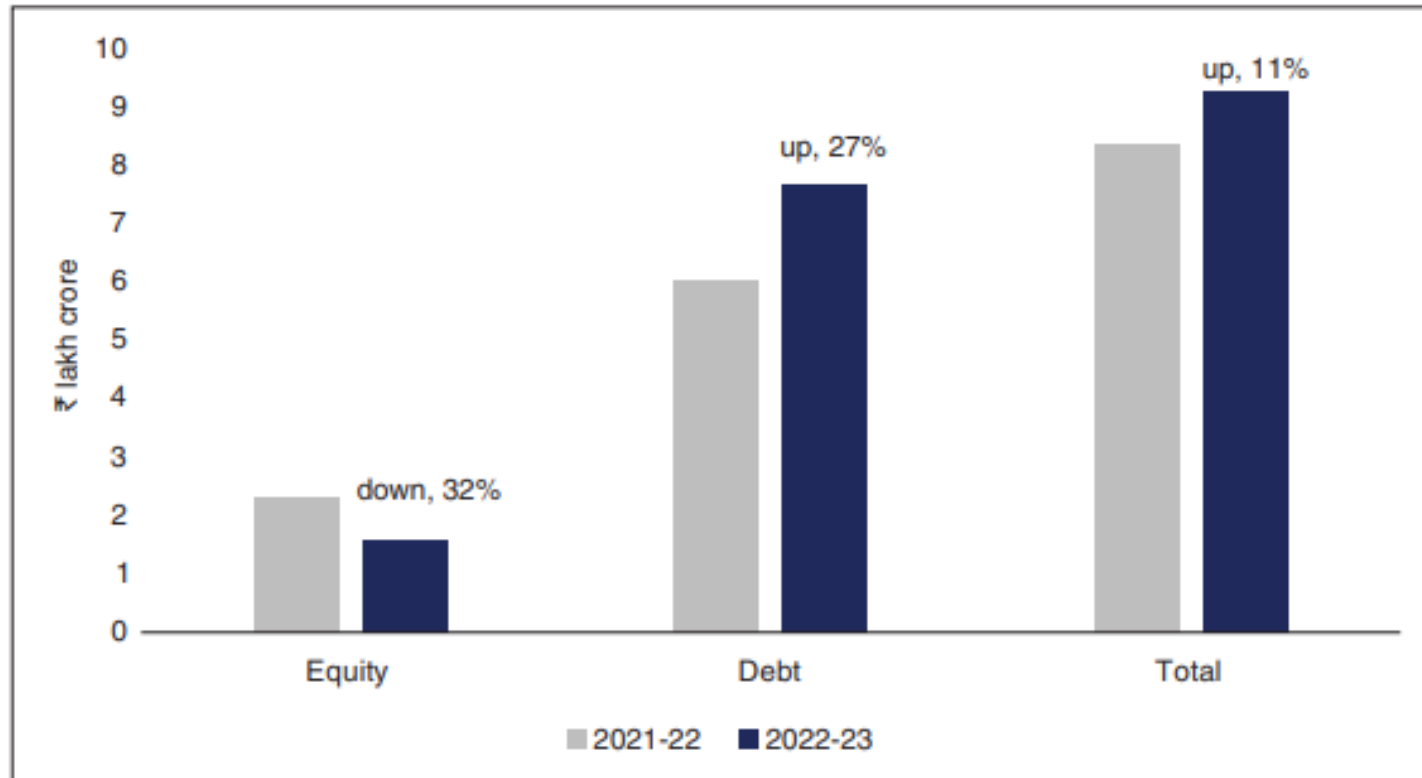
b) Product labelling of Mutual Funds as under:

- Low - principal at low risk
- Low to Moderate - principal at moderately low risk
- Moderate - principal at moderate risk
- Moderately High - principal at moderately high risk
- High - principal at high risk
- Very High- Principal at very high risk.



Primary Market: Fund Mobilization

Chart 1.2: Fund Mobilization Across Segments



Primary Market: Fund Mobilization across industries

Industry	2021-22			2022-23		
	No. of Issues	Amount	Percentage Share in Total Amount Raised	No. of Issues	Amount	Percentage Share in Total Amount Raised
Airlines	0	0	0.0	0	0	0.0
Automobiles	4	6,326	4.6	1	9	0.0
Banks/FIs	1	1,200	0.9	6	934	1.4
Cement/ Constructions	13	8,200	5.9	16	1,201	1.8
Chemical	7	6,461	4.7	12	4,086	6.2
Consumer Services	2	1,101	0.8	2	9	0.0
Electronic Equipment/ Products	5	53	0.0	12	1,627	2.5
Engineering	4	650	0.5	7	819	1.2
Entertainment	0	0	0.0	2	63	0.1
Finance	5	3,532	2.5	7	3,745	5.7
Food processing	9	4,106	3.0	11	1,447	2.2
Healthcare	20	10,590	7.6	14	4,552	6.9
Hotels	5	4,304	3.1	1	9	0.0
Info Tech	13	3,794	2.7	9	1,739	2.6
Miscellaneous	60	52,315	37.7	121	20,251	30.8
Roads & Highways	1	962	0.7	0	0	0.0
Telecom	2	21,276	15.3	1	26	0.0
Textile	7	4,359	3.1	9	408	0.6
Plastic	2	17	0.0	3	26	0.0
Power	0	0	0.0	1	4	0.0
Printing	1	12	0.0	0	0	0.0
Oil & Natural Gas	2	3,619	2.6	2	4,310	6.6
Insurance	1	6,019	4.3	1	20,557	31.2
Total	164	1,38,894	100.0	238	65,823	100.0

Source: BSE and NSE

Secondary markets: Across the world

Table 2.2: Returns in Local Currency Terms across Major Markets

Country	Index	Returns in local currency (%)		Annualised Volatility (%)	
		2022-23	2021-22	2022-23	2021-22
France	CAC 40	9.9	9.8	18.5	19.3
Germany	DAX	8.4	-4.0	19.3	19.6
UK	FTSE 100	1.5	11.9	14.4	14.3
South Africa	FTSE/JSE AFRICA	0.8	13.6	19.6	16.7
Japan	NIKKEI 225	0.8	-4.7	17.3	19.3
China	SHANGHAI SE COMPOSITE	0.6	-5.5	15.2	14.3
India	Nifty 50	-0.6	18.9	14.4	15.5
USA	DOW JONES INDUS. AVG	-4.0	5.1	18.9	13.2
Singapore	STRAITS TIMES STI	-4.4	7.7	10.6	11.8
Hong Kong	HANG SENG	-7.3	-22.5	28.7	23.9
South Korea	KOSPI	-10.2	-9.9	17.4	14.4
Taiwan	TAIWAN TAIEX	-10.3	7.7	18.9	16.2
USA	NASDAQ COMPOSITE	-14.1	7.4	29.5	20.2
Brazil	BRAZIL IBOVESPA	-15.1	2.9	21.0	18.7

Source: Refinitiv

Secondary Markets: Activity in India

Table 4.1: Exchange-wise Trading Statistics for Cash Segment

Stock Exchange	2021-22	2022-23	Variation (per cent)
Turnover (₹ crore)			
NSE	1,65,66,257	1,33,05,073	-19.7
BSE	13,38,225	10,28,865	-23.1
MSEI	43	44	3.5
Total	1,79,04,525	1,43,33,983	-19.9
Total Market Capitalisation (₹ crore)			
NSE	2,61,81,064	2,56,32,704	-2.1
BSE	2,64,06,501	2,58,19,896	-2.2
MSEI*	2,41,77,249	2,51,57,438	4.1

*Note: *For MSEI market capitalisation is provided for all listed as well as permitted companies.*

Source: BSE, NSE and MSEI.

Table 4.3: Select Ratios Relating to the Stock Market (Per cent)

Year	Market Capitalisation to GDP Ratio		Total Turnover to GDP Ratio	
	BSE	NSE	Cash Segment (All-India)	Equity Derivatives Segment (BSE + NSE)
2021-22	112.51	111.55	76.28	7,504
2022-23	94.78	94.10	52.62	14,158

Secondary Markets: Top 10 cities

Table 4.2: Turnover of Top-10 Cities in the Cash Segment (Per cent)

City	BSE		City	NSE	
	2021-22	2022-23		2021-22	2022-23
Mumbai	36.4	39.7	Mumbai / Thane	67.6	68.0
Ahmedabad	21.3	23.2	Ahmedabad	9.1	11.2
Kolkata	2.3	1.9	Kolkata	5.0	4.2
New Delhi	2.2	1.5	Delhi	5.4	3.7
Rajkot	0.9	0.9	Hyderabad	2.7	2.5
Nalgonda	0.0	0.8	Rajkot	0.8	1.0
Noida	0.3	0.6	Chennai	0.7	0.9
Vanasthalipuram	0.0	0.5	Bangalore	1.2	0.8
Vadodara	0.4	0.3	Pune	0.3	0.4
Jaipur	0.3	0.3	Cochin	0.5	0.4
Others	36.0	30.3	Others	6.7	6.9
Total	100	100	Total	100	100

Note: City-wise turnover is calculated on gross basis.

Source: BSE and NSE.

Secondary Market: Who are participants?

Table 4.10: Participant-wise Share in Cash Market Turnover (per cent)

Category	NSE		BSE	
	2021-22	2022-23	2021-22	2022-23
Proprietary Traders	27.5	27.2	33.9	33.1
Domestic Institutions*	2.3	2.6	2.4	3.1
FPIs	12.3	15.1	11.1	15.4
MFs	6.2	8.0	2.4	2.3
Corporates	3.8	4.2	4.6	4.5
Others**	47.8	43.0	45.6	41.6
Total	100	100	100	100

Notes: *Domestic institutions (excluding mutual funds) include banks, DFIs, insurance companies and the New Pension Scheme. **Others include individual domestic investors, Partnership Firms/LLP, Trust/Society, AIFs, Depository Receipts, PMS clients, Statutory Bodies, VCFs, NBFC, etc.

Table 4.11: Mode of Trading in the Cash Market (per cent)

Mode of Trading	BSE		NSE	
	2021-22	2022-23	2021-22	2022-23
Co-location	39.3	36.9	34.8	34.1
Mobile	18.6	18.1	20.2	19.7
Non-ALGO	27.2	30.3	18.8	18.5
Internet Based Trading	8.2	7.5	11.7	9.1
ALGO	3.7	4.3	12.4	14.7
Direct Market Access	0.2	0.3	1.3	2.9
Smart Order Routing	1.2	1.7	0.9	1.0
FOW-NOW	1.6	0.9	0.0	0.0

Source: BSE and NSE

Secondary Markets: Equity Derivatives

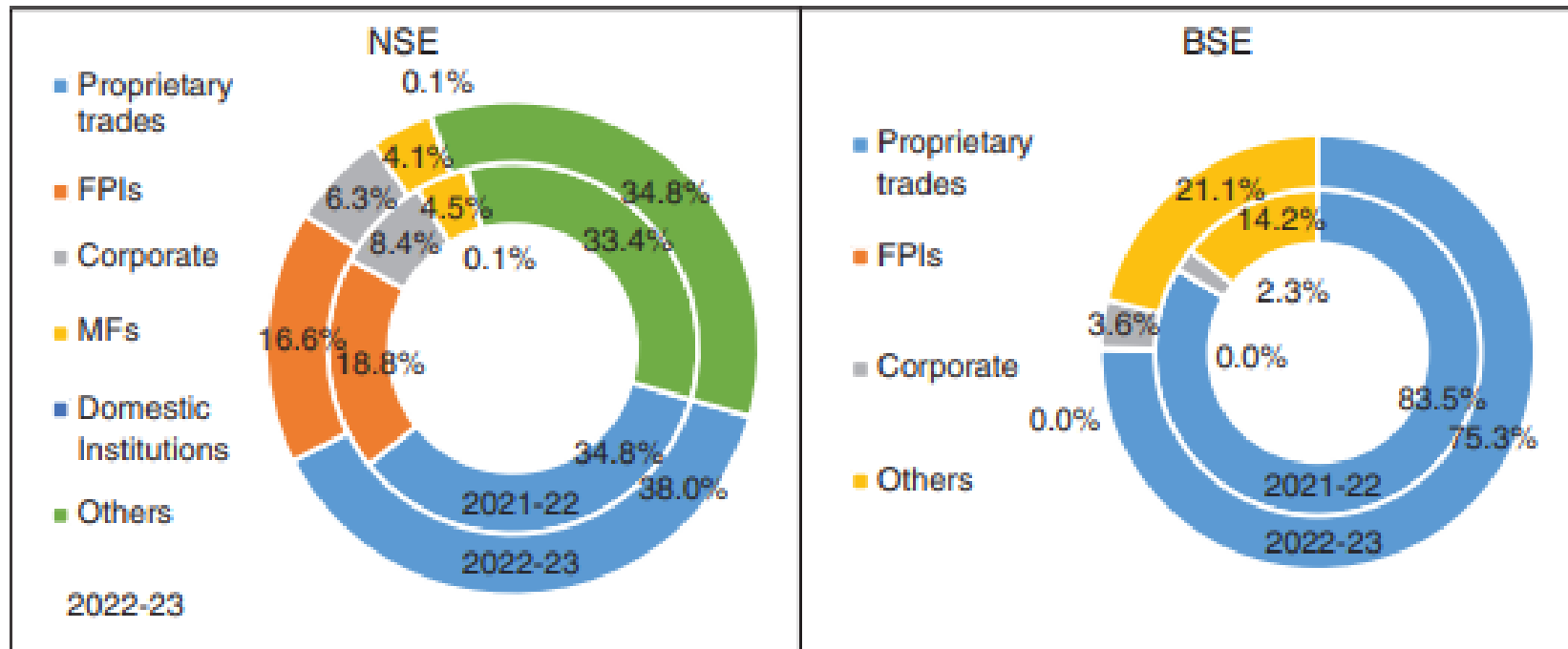
Table 4.17: Trends in the Equity Derivatives Segment

Year	No. of Contracts Traded (crore)		Turnover (₹ lakh crore)		Open Interest at the end of the Year			
					No. of Contracts		Value (₹ crore)	
	NSE	BSE	NSE	BSE	NSE	BSE	NSE	BSE
2021-22	1,866	67	16,952	661	73,59,094	1,888	5,88,567	173
2022-23	4,177	37	38,223	343	1,34,18,486	0	11,05,826	0

Source: NSE and BSE

Secondary Markets: Equity Derivatives

Chart 4.9: Participant-wise Share in the Equity Derivatives Turnover



Note: Domestic Institutions are excluding MFs. Outer circle denotes 2022-23 and inner circle denotes 2021-22.

Source: BSE and NSE

Commodity Markets

Table 4.20: Permitted and Traded Contracts at Domestic Exchanges (2022-23)

Exchanges	No. of Permitted Commodities		No. of Commodities available for trading		No. of Traded Commodities during 2022-23	
	Non-Agri	Agri	Non-Agri	Agri	Non-Agri	Agri
MCX\$	12	4	12	4	12	4
NCDEX\$\$	1	25	1	24	1	16
BSE	3	3	3	3	2	3
NSE	6	0	4	0	1	0

Note: \$ at MCX, data includes 3 commodity indices (MCX iCOMDEX Bullion, MCX iCOMDEX Energy, MCX iCOMDEX Metal) in addition to non-agri commodity count. \$\$ at NCDEX, data includes 1 commodity index (GUAREX) in addition to agri commodity count.

Commodity Markets

Table 4.21: Turnover of Commodity Derivatives Market

Particulars	2021-22	2022-23	Change year-on-year (per cent)
All-India Total Turnover (₹ crore)	1,00,27,758	1,50,13,608	49.7
MCX, of which	87,81,757	1,47,80,566	68.3
Futures	67,53,928	60,43,084	-10.5
Options	20,27,830	87,37,483	330.9
BSE, of which	7,69,075	8,365	-98.9
Futures	4,039	3,433	-15.0
Options	7,65,036	4,933	-99.4
NCDEX, of which	4,57,181	2,06,922	-54.7
Futures	4,56,693#	2,04,932	-55.1
Options	487	1,989	308.3
NSE, of which	19,745	17,755	-10.1
Futures	2,273	14	-99.4
Options	17,472	17,741	1.5

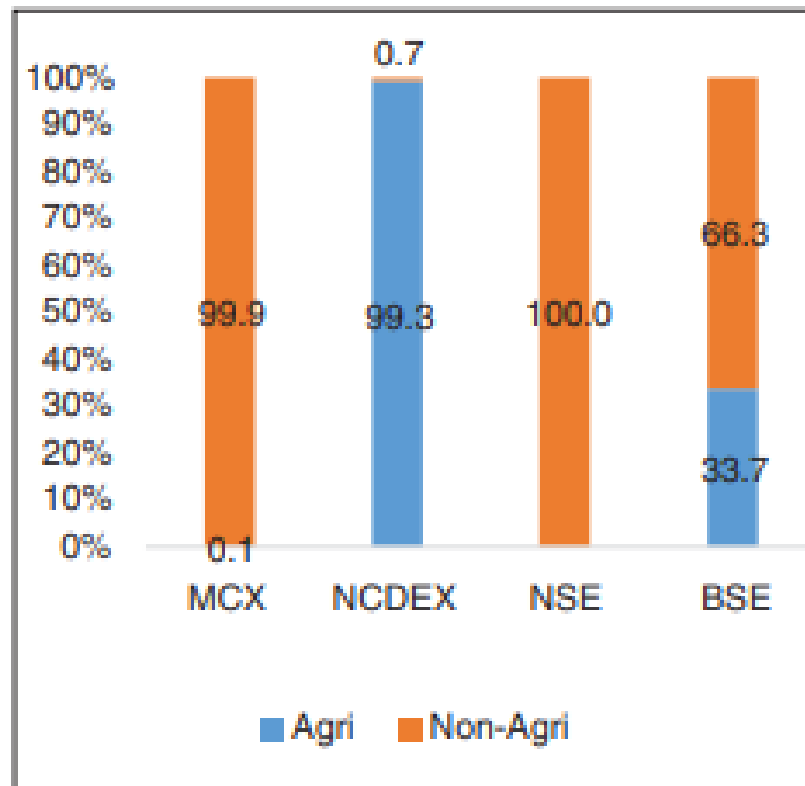
Note: #Revised Figures

Source: All Exchanges

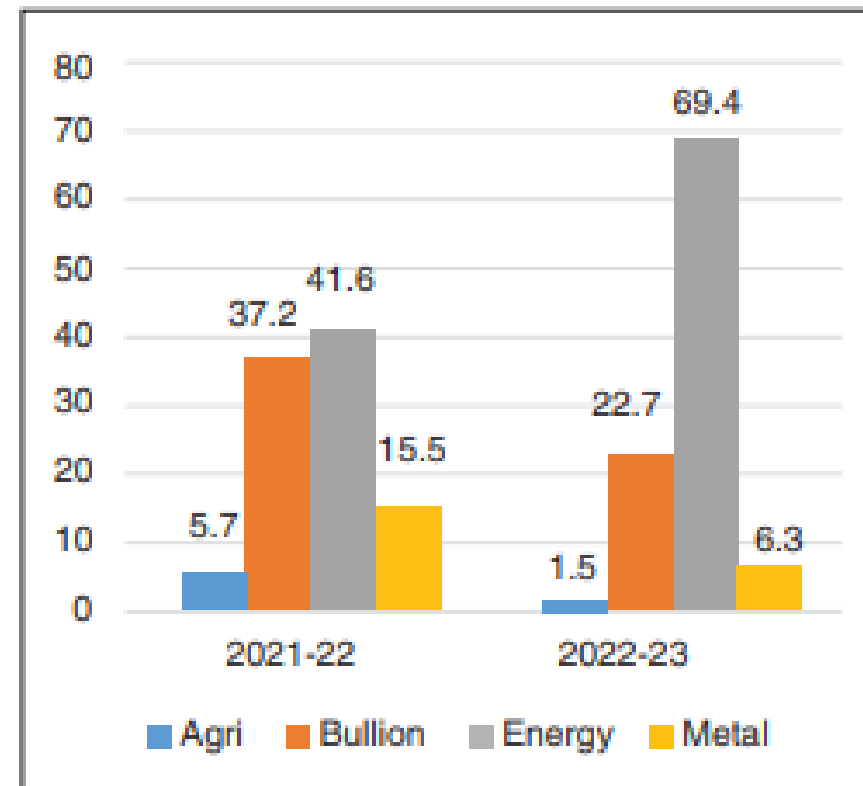
Commodity Markets

Chart 4.15: Distribution of Trading Activity in Commodity Derivatives

Segment - wise Share in commodity Derivatives Turnover

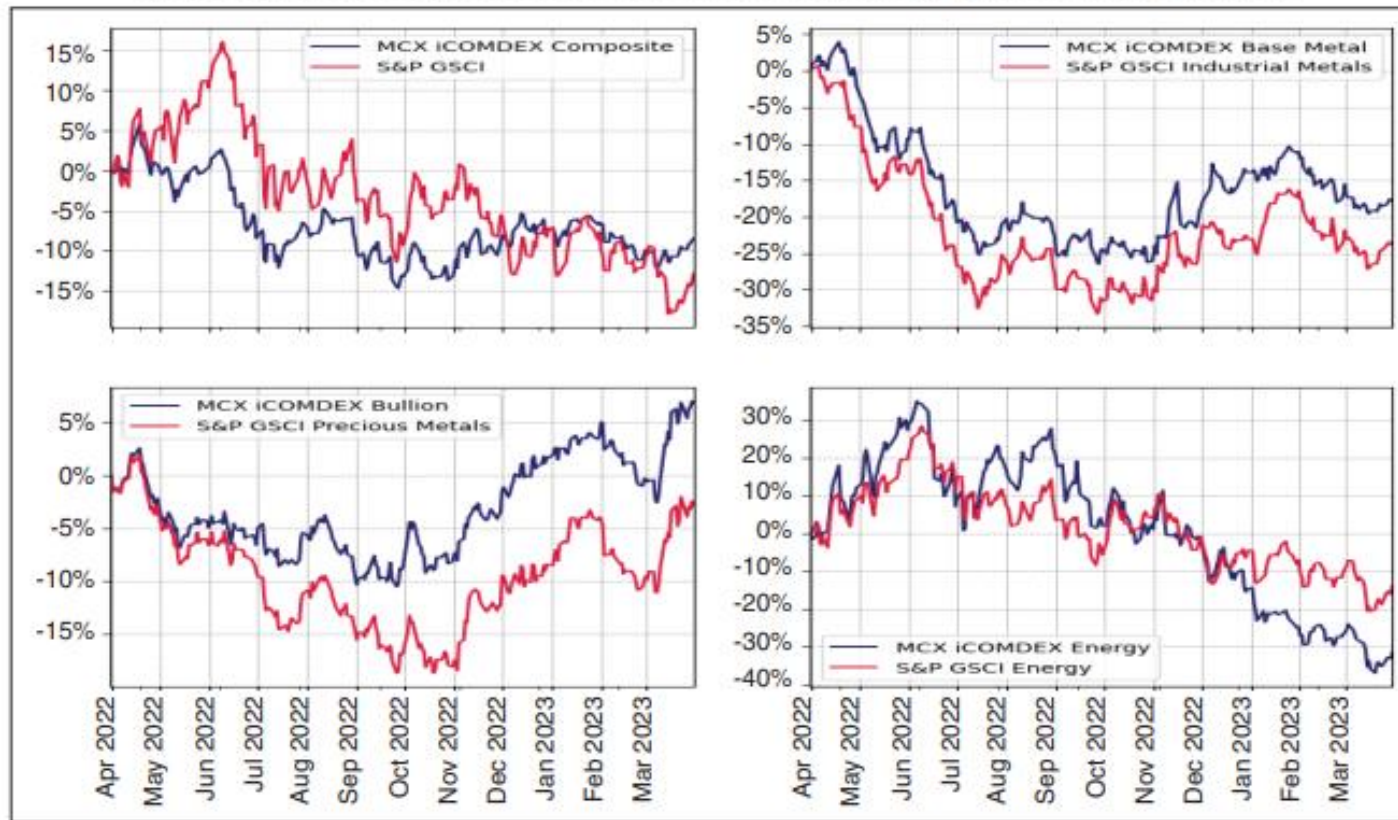


Product Segment-wise share in Total Turnover



Commodity Markets

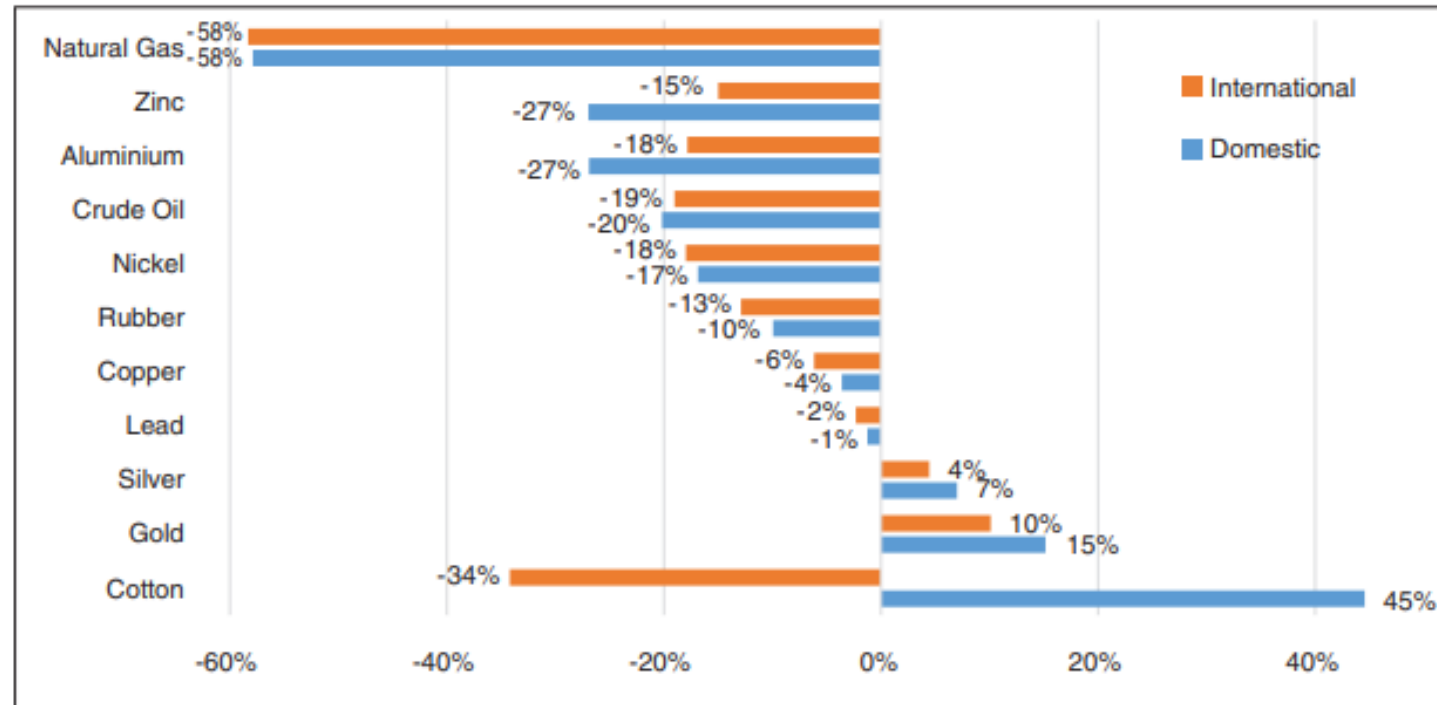
Chart 4.12: Trends in Domestic and Global Commodity Indices during 2022-23



Source: MCX, S&P

Commodity Markets

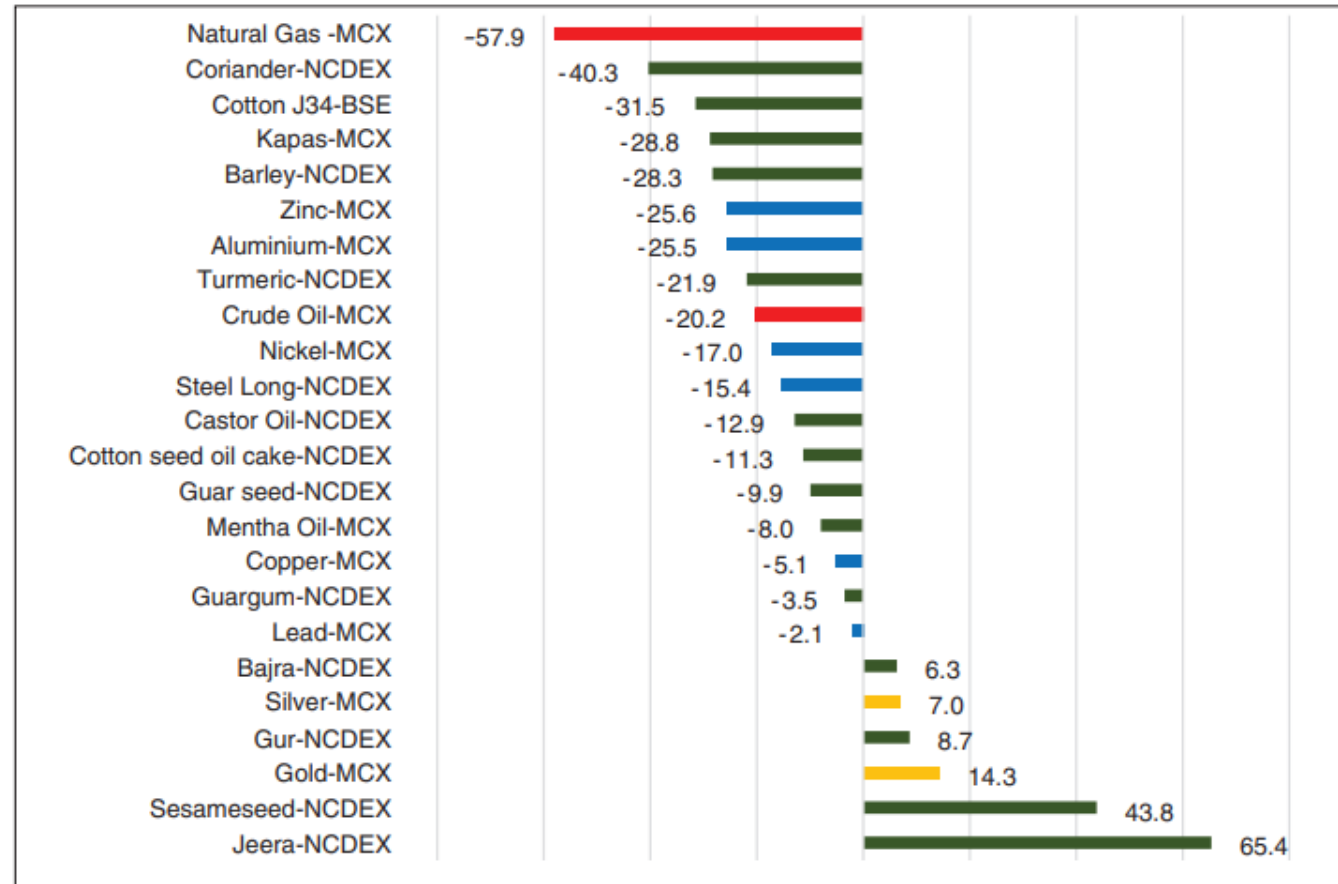
Chart 4.14: Divergence between Domestic and International Commodity Prices



Source: MCX, S&P

Commodity Markets

Chart 4.13: Variation in Futures Closing Price (Year-on-Year) (in per cent)



Note: Variation is computed for closing prices of near-month contracts of select commodities traded during 2022-23.

Currency Derivatives

Table 4.27: Trends in the Currency Derivatives Segment

Exchange	No. of Contracts Traded (₹Lakh)		Turnover (₹ crore)	
	2021-22	2022-23	2021-22	2022-23
BSE	8,645	7,804	64,54,526	62,71,864
MSEI	120	284	90,270	2,31,435
NSE	27,919	46,975	2,11,75,555	3,80,86,873
Total	36,684	55,064	2,77,20,351	4,45,90,171

Source: BSE, NSE, MSEI

Currency Derivatives

Table 4.28: Product-wise Market Share in Currency Derivatives Segment (Per cent)

Type	Currency Pair	Exchanges	
		2021-22	2022-23
Futures	USD-INR	31.6	29.7
	EURO-INR	1.6	1.3
	GBP-INR	2.8	1.9
	Others	0.5	0.4
Options	USD-INR	63.4	66.6
	EURO-INR	0.0	0.0
	GBP-INR	0.1	0.0
	Others	0.0	0.0

Source: BSE, NSE, MSEI

Interest Rate Derivatives

Table 4.30: Trends in Interest Rate Derivatives

Exchange	No. of Contracts Traded (₹Lakh)		Turnover (₹ crore)	
	2021-22	2022-23	2021-22	2022-23
BSE	22	13	43,165	23,552
NSE	14	14	26,357	26,296
Total	36	26	69,522	49,848

Source: BSE and NSE

Mutual Funds

Table 5.4: Scheme-wise Resource Mobilisation and Assets under Management

Sr. No.	Scheme Category	No. of schemes	No. of Folios	Funds mobilized for the period (₹ crore)	Repurchase/ Redemption for the period (₹ crore)	Net Inflow (+ve)/ Outflow (-ve) for the period (₹ crore)	Net Assets Under Management (₹ crore)
		(As on March 31, 2023)		(Apr-Mar 2023)		As on March 31, 2023	
A	Open ended Schemes	1,278	14,52,03,038	1,04,89,005	1,03,85,343	1,03,662	39,07,838
<i>I</i>	<i>Income/Debt Oriented Schemes</i>	315	71,59,720	96,72,023	98,55,626	-1,83,603	11,81,982
<i>II</i>	<i>Growth/Equity Oriented Schemes</i>	390	9,82,91,799	3,62,003	2,15,250	1,46,753	15,17,082
<i>III</i>	<i>Hybrid Schemes</i>	138	1,21,45,563	1,58,175	1,76,988	-18,813	4,78,917
<i>IV</i>	<i>Solution Oriented Schemes</i>	36	56,86,952	3,713	1,877	1,836	32,334
<i>V</i>	<i>Other Schemes</i>	399	2,19,19,004	2,93,091	1,35,603	1,57,489	6,97,522
B	Close Ended Schemes	165	5,24,716	16,356	44,200	-27,844	33,194
<i>I</i>	<i>Income/Debt Oriented Schemes</i>	136	1,67,669	16,356	42,222	-25,866	26,994
<i>II</i>	<i>Growth/Equity Oriented Schemes</i>	29	3,57,047	0	1,978	-1,978	6,200
<i>III</i>	<i>Other Schemes</i>	0	0	0	0	0	0
C	Interval Schemes	12	2,846	1,996	1,589	407	999
<i>I</i>	<i>Income/Debt Oriented Schemes</i>	12	2,846	1,996	1,589	407	999
<i>II</i>	<i>Growth/Equity Oriented Schemes</i>	0	0	0	0	0	0
<i>III</i>	<i>Other Schemes</i>	0	0	0	0	0	0
Grand Total (A+B+C)		1,455	14,57,30,600	1,05,07,357	1,04,31,132	76,225	39,42,031

Mutual Funds

of funds but they held 70.0 per cent of the

Table 5.8: Unit Holding Pattern of Mutual Funds (As on March 31, 2023)

Category	Year	No. of Folios	Percentage to Total Folios	AUM (in crore)	Percentage to Total Net assets
Individuals ^{\$}	2021-22	12,57,54,565	97.1	19,78,217	52.7
	2022-23	14,14,85,672	97.1	21,67,772	55.0
NRIs/OCBs	2021-22	23,44,636	1.8	1,38,535	3.7
	2022-23	27,06,467	1.9	1,62,225	4.1
FPIs	2021-22	199	0.0	4,483	0.1
	2022-23	194	0.0	4,754	0.1
Corporates/Institutions/others	2021-22	14,05,252	1.1	16,35,448	43.5
	2022-23	15,38,267	1.1	16,07,280	40.8
Total (2022-23)		14,57,30,600	100.0	39,42,031	100.0

Note: \$ Individuals include both retail and HNI.

Portfolio Managers

Table 5.14: Registered Portfolio Managers

Type of Intermediary	No. of Registered Intermediaries as on March 31, 2022	New Registrations during 2022-23	Cancellation/ Surrender during 2022-23	Registered Intermediaries as on March 31, 2023
Portfolio Managers	367	53	19	401

Table 5.15: Assets Managed by Portfolio Managers

Year Ended	No. of Clients					AUM (₹ crore)					
	Discretionary	Non-Discretionary	Advisory	Co-Investment	Total	Discretionary (EPFO/ PFs)	Discretionary (Non EPFO/ PFs)	Non-Discretionary	Advisory	Co-Investment	Total
2021-22	1,30,525	7,512	1,912	0	1,39,949	17,69,845	2,65,250	1,75,943	2,08,231	0	24,19,269
2022-23	1,38,371	5,572	1,923	53	1,45,919	20,58,973	2,76,085	2,30,677	2,20,021	328	27,86,084

Note: The data has been compiled on the basis of information submitted by portfolio managers to SEBI.

Mutual Funds

Table 5.3: Sector-wise Resource Mobilisation (₹ crore)

Year	Private Sector MFs				Public Sector MFs				Grand Total
	Open	Close	Interval	Total	Open	Close	Interval	Total	
Mobilisation of Funds									
2021-22	71,99,331	2,389	557	72,02,278	21,11,850	3,376	0	21,15,227	93,17,505
2022-23	77,45,376	7,544	1,996	77,54,916	27,43,629	8,812	0	27,52,442	1,05,07,357
Redemption/Repurchase									
2021-22	69,77,853	75,967	171	70,53,991	20,01,959	14,825	0	20,16,784	90,70,775
2022-23	77,02,011	35,333	1,589	77,38,933	26,83,332	8,867	0	26,92,199	1,04,31,132
Net Inflow/Outflow of Funds									
2021-22	2,21,478	-73,578	386	1,48,287	1,09,891	-11,449	0	98,443	2,46,730
2022-23	43,365	-27,789	407	15,983	60,297	-55	0	60,242	76,225

Note: Net assets of ₹ 66,590.39 crore pertaining to Fund of Funds schemes for March 2023 is not included.

Brokers

Table 4.35: Classification of Stock Brokers in 2022-23

Segment	Name of Stock Exchange	Total No. of stock brokers	Number				Percentage Share			
			Proprietorship	Partnership	Corporate	LLP	Proprietorship	Partnership	Corporate	LLP
Cash Segment	BSE	1,270	127	31	1,091	21	10.0	2.4	85.9	1.7
	NSE	1,226	52	43	1,105	26	4.2	3.5	90.1	2.1
	MSEI	303	15	7	278	3	5.0	2.3	91.8	1.0
Equity Derivatives	BSE	886	40	15	818	13	4.5	1.7	92.3	1.5
	NSE	1,149	44	42	1,032	31	3.8	3.7	89.8	2.7
	MSEI	284	14	7	262	1	4.9	2.5	92.3	0.4
Currency Derivatives	BSE	555	8	8	525	14	1.4	1.4	94.6	2.5
	NSE	758	11	14	717	16	1.5	1.9	94.6	2.1
	MSEI	488	26	16	443	3	5.3	3.3	90.8	0.6
Debt	BSE	274	5	0	268	1	1.8	0.0	97.8	0.4
	NSE	252	4	3	245	0	1.6	1.2	97.2	0.0
	MSEI	14	0	0	14	0	0.0	0.0	100.0	0.0
Commodity Derivatives	MCX	546	19	27	491	9	3.5	5.0	89.9	1.7
	NCDEX	309	10	19	279	1	3.2	6.1	90.3	0.3
	ICEX	103	13	9	80	1	12.6	8.7	77.7	1.0
	BSE	287	3	6	270	8	1.1	2.1	94.1	2.8
	NSE	292	5	7	271	9	1.7	2.4	92.8	3.1

Source: All Exchanges

Depository

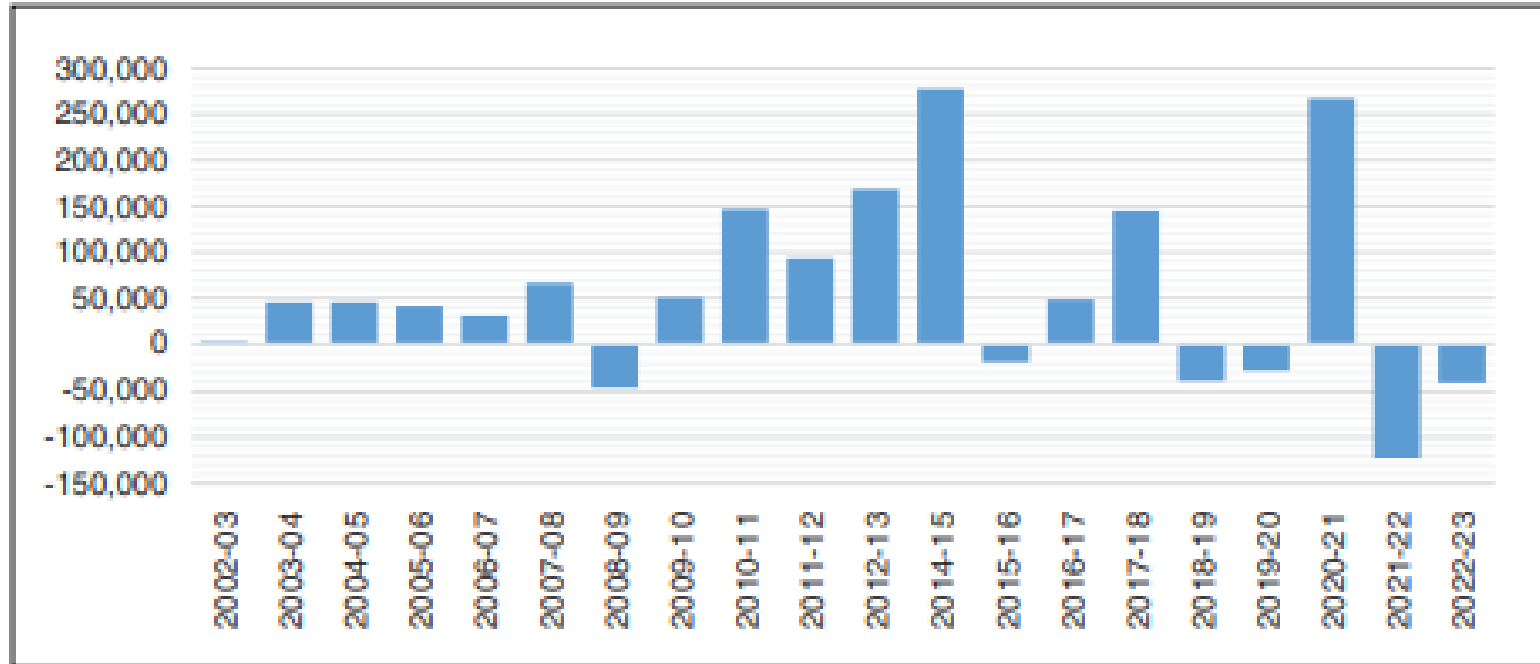
Table 4.5: Depository Statistics

Particulars	NSDL		CDSL	
	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23
No. of Investor Accounts (₹ lakh)	267	315	630	830
No. of Companies Signed up (Listed and Unlisted), of which	37,478	40,987	18,268	20,323
<i>No. of Companies that are Listed</i>	<i>5,846</i>	<i>5,843</i>	<i>5,886</i>	<i>6,043</i>
Quantity of Securities in Demat Form (₹ crore)	2,77,353	3,22,433	56,757	61,285
Value of Securities in Demat Form (₹ crore)	3,01,87,556	3,02,18,890	37,17,278	39,71,127
Market Capitalisation of Listed Companies Joined in Demat (₹ crore)	2,66,74,665	2,61,81,095	2,63,55,532	2,58,19,813
Custody Value of Shares of Listed Companies (₹ crore)	2,29,38,892	2,22,61,191	32,28,356	34,05,158
Ratio of Dematerialised Equity Shares to Total Outstanding Shares Listed (per cent)	86.0	85.0	12.2	13.2

Source: NSDL and CDSL

Foreign Investors

Chart 6.1: Trend in Net Investments by FPIs (₹ crore)



Source: NSDL

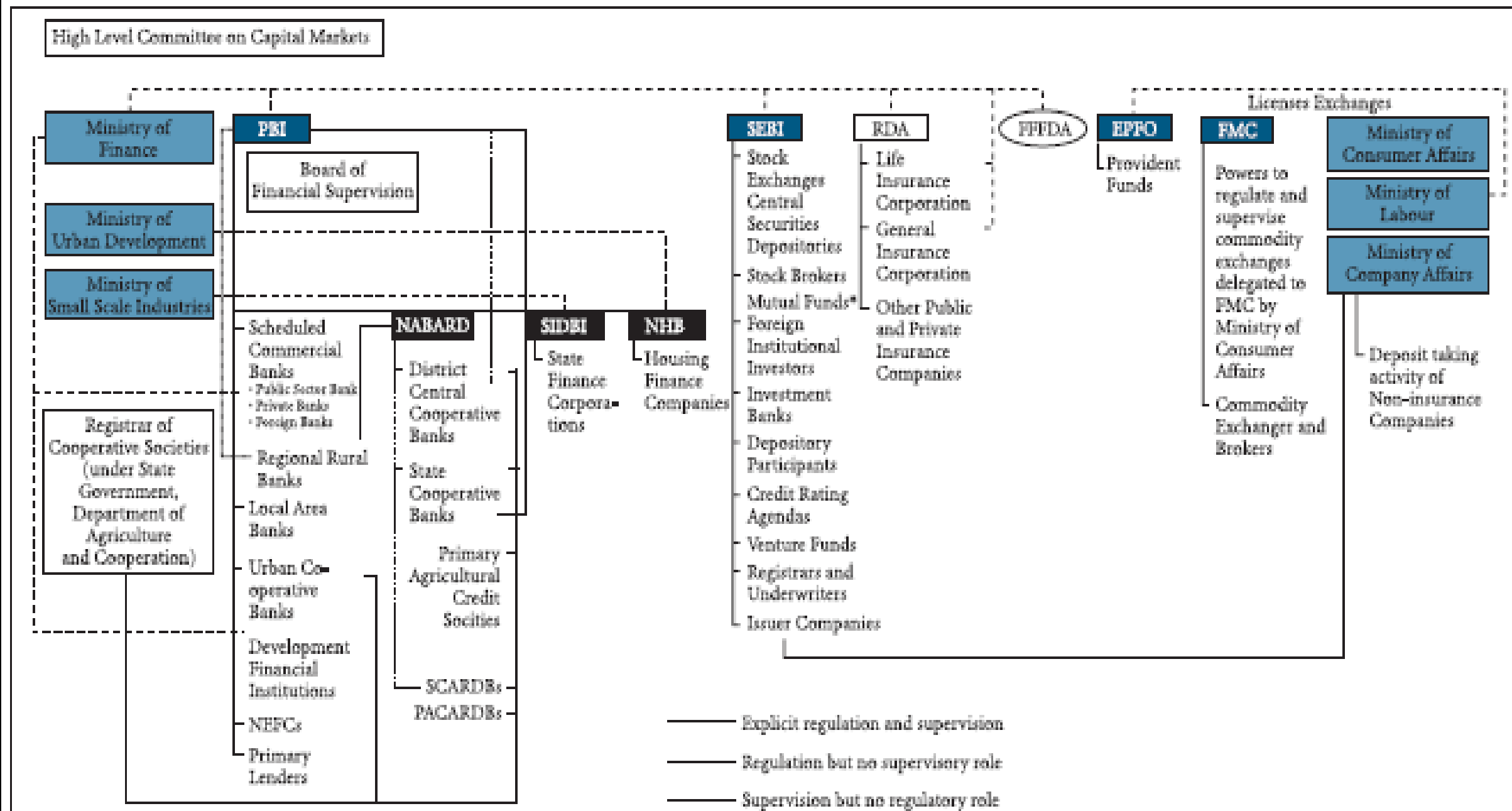
Foreign Investors

Table 6.3: Sector-wise Distribution of FPI Equity Assets

Sr. No.	Sectors	Percentage Share in Total Equity Assets
		As on March 31, 2023
1	Financial Services	33.5
2	Information Technology	11.0
3	Oil, Gas & Consumable Fuels	10.1
4	Fast Moving Consumer Goods	7.5
5	Automobile and Auto Components	5.7
6	Healthcare	4.9
7	Power	3.3
8	Consumer Durables	3.3
9	Capital Goods	3.1
10	Metals & Mining	2.9
11	Telecommunication	2.5
12	Consumer Services	2.3
13	Chemicals	2.1
14	Construction Materials	1.8
15	Construction	1.8
16	Others	4.0
Total		100.0

Source: NSDL

Figure 1: Current Regulatory Architecture



Thank You!