Indian Market Report

Mr. Suresh Krishnamurthy
National President

Association of National Exchanges Members of India (ANMI)

30th Asia Securities Forum (ASF)
Annual General Meeting
Ulaanbaatar, Mongolia

11th -12th September 2025

"

"To invest in India is to invest in stability, scale, and the story of the decade"

Mr. Suresh Krishnamurthy, National President, ANMI

India's transformation from an emerging market to a global economic powerhouse represents not just growth, but strategic evolution backed by policy consistency, demographic advantage, and institutional maturity

ABOUT ANMI

The Association of National Exchange Members of India (ANMI) is an association representing the interests of its members in the Indian financial markets, promoting integrity and professionalism. **Founded in 1996,** ANMI aims to strengthen the framework of the securities market in India. ANMI Commerated its 30th year on 1st August, 2025

Objectives:
To work for the growth of the Capital Market, economic development of the country and the overall interest of investors and its members at large by becoming a bridge and channel between Regulators & MII.

Key functions:

Advocacy for members' interests with regulatory bodies, education and training programs for skill enhancement, professional assistance and special services like indemnity insurance, and networking to foster collaboration among members and stakeholders.

ANMI comprises around 800 members registered with

- National Stock Exchange (NSE),
- Bombay Stock Exchange (BSE),
- Metropolitan Stock Exchange(MSE),
- Multi Commodity Exchange (MCX) and
- National Commodity Derivatives Exchange(NCDEX).

anmi™
Association of National Exchanges Members of India
VOICE OF CAPITAL MARKET

INTRODUCTION

Purpose of the Presentation:

Today's discussion aims to explore the dynamic and rapidly evolving landscape of the Indian financial markets and economy, positioning India as a pivotal force in the global economic order.

Points to be covered:

1. Economic overview of India
2. The structure and growth of Indian capital markets
3. Key investment opportunities across sectors
4. Financial Market Regulatory Framework
5. Emerging challenges

anmi™
Association of National Exchanges Members of India
Voice of Capital Market

1. EcoNOMIC OVERVIEW OF INDIA

INDIA BECOMING AN ECONOMIC POWER HOUSE

Indicator	Current Value	Global Rank	Time Frame
GDP	$4.19 TRILLION	4th	As on June 2025
Exports	US$ 277.63 Billion	Historic High	April-July 2025
Market Cap	$ 5.15 trillion	5th	22nd August 2025
FDI Flows	81 billion	Top 10	July 2025

India's Global Positioning

India, the **world's fourth-largest economy**, has emerged as the **fastest-growing major economy** and is on track to become the **world's third-largest economy** with a projected **GDP of $7.3 trillion by 2030.**

Source - Press Information Bureau | 16 JUN 2025

2. The structure aND GROWTH OF INDIAN CAPITAL MARKETS

THE STRUCTURE AND GROWTH OF INDIAN CAPITAL MARKETS

India’s capital market ecosystem is robust, transparent, and evolving playing a central role in mobilizing funds and driving economic expansion.

Key Components of the Market:

118 million new investors joined the stock market in the past 3 months, with NSE alone at 112.8 million as of July 2025

- **Equity Markets:**

Anchored by the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), equity trading remains the core of India’s market structure, with deep participation from both domestic and global investors.

- **Derivatives Market:**

India operates one of the world’s largest Futures & Options (F&O) segments. The Indian derivatives market achieved an Average Daily Trading Value (ADTV) of ₹381 trillion in July 2025, reflecting heightened hedging and speculative activity.

- **Bond Market:**

In FY25(end of June), companies raised a record $120.5 billion (₹10 Lakh crore) through corporate bonds, signalling rising momentum in India’s corporate bond market and private capex growth.

Unique Investors as of july 2025

INVESTOR FOCUSED DEVELOPMENTS

SEBI's InvestRight campaign scaled in FY 2025, (launching in over 300+ districts. Training partnerships with fintech platforms and colleges focused on women and first-time investors.

Source: https://investor.sebi.gov.in

FY 2025–26 Policy Measures:

- Reduced capital gains tax on startup equity held for over 3 years
- Tax rebates on ESG-linked mutual funds
- Capital market transaction cost rationalization for small-ticket investments

Simplified SME and startup listing criteria under NSE Emerge and BSE SME platforms.

3. Key investmeNT OPPORTUNITIES ACROSS SECTORS

THE INVESTMENT LANDSCAPE IN INDIA

Investment Category	Key Metrics	Growth Indicator
Equity Markets	Rs 2.58 lakh crore in IPO pipeline	Strong resurgence
Demat Accounts	200 million accounts	Historic milestone
Debt Markets	AAA-rated corporate bonds	13.42% YoY growth
Real Estate	Top city residential sales	Surge in demand
Gold & FDs	Gold ETFs preference	Peak FD rates renewed
Cryptocurrency	$10.0 billion for 2026	3.34% CAGR

India's investment ecosystem reflects a **resilient and diversified structure spanning equity, debt, real estate, gold, digital assets, and fixed-income** avenues positioning the country as a stable and growth-oriented destination **for global capital**

INVESTMENT OPPORTUNITIES

Growth Sector	Global Position	Investment Focus	Advantage
Information Technology	Global leader in software	Services & exports	**Established ecosystem**
Pharmaceuticals	Generics & vaccines demand	Manufacturing & R&D	**Cost competitiveness**
Infrastructure	$1.4 trillion pipeline	Smart cities & transport	**Government backing**
Green Energy	Renewable projects	Green bonds & ESG	**Policy incentives**
Manufacturing	PLI schemes 14+ sectors	Global supply chains	**Production incentives**

High-Growth Sectors

Diverse opportunities across IT, pharmaceuticals, infrastructure, and green energy with strong regulatory support and ease of trading benefits

FINANCIAL INSTRUMENTS AND INVESTMENT OPPORTUNITIES

In India, major financial instruments include stocks, bonds, mutual funds, fixed deposits, real estate, Sovereign Gold Bonds, and government-backed schemes like the Public Provident Fund (PPF) and the National Pension System (NPS).

Different Types of Investment Instruments:

Equities:
Shares publicly traded companies, offering ownership and capital appreciation.

Mutual Funds:

- In July 2025 marked a key milestone for the mutual fund industry as the number of unique investors rose from 55.3 million to 55.9 million. The folio count increased by 0.44 million, reaching 245.7 million from 241.3 million. Equity funds led the charge with an addition of 3.135 million folios, followed by hybrid funds adding 0.335 million and debt funds bringing in 0.265 million new folios.

- Assets Under Management (AUM) of Indian Mutual Fund Industry as on July 31, 2025 stood at $862 billion (₹75.36 trillion)

Systematic Investment Plan:
As of July, 2025 there is $12.47 bilion (Rs. 1,09,053 crore) collected in SIPs from retails investors.
SIPs allow investors to invest a fixed amount regularly in mutual funds, promoting disciplined, long-term investment.

NSE AT A GLANCE

NSE at a glance

NSE's positioning and reach

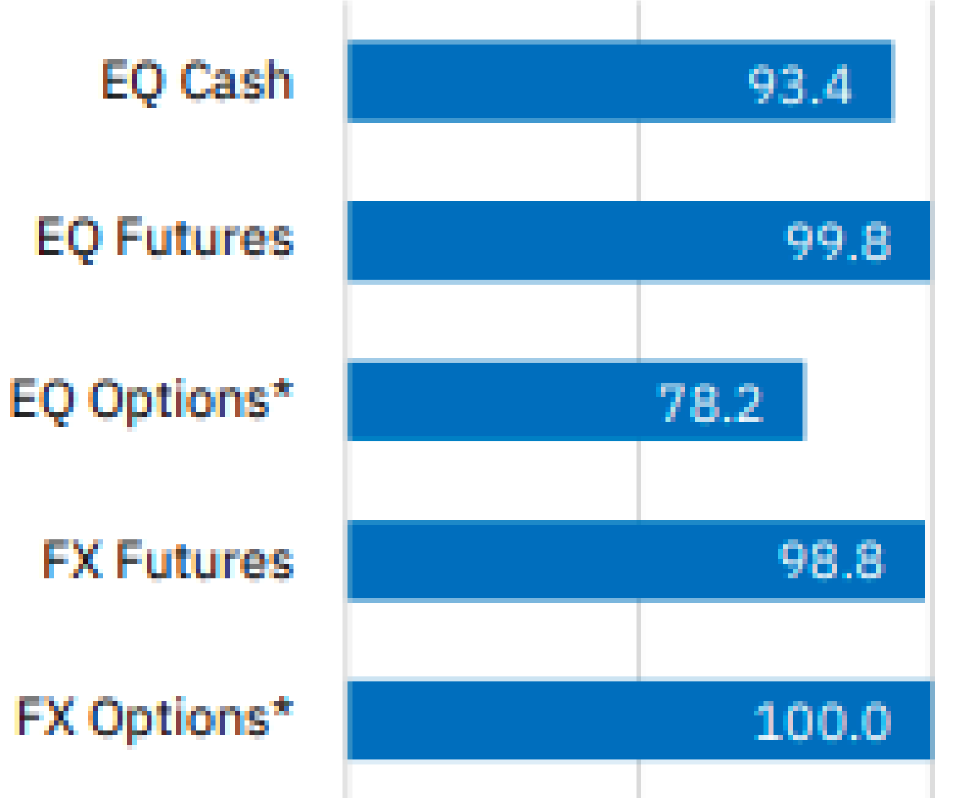
NSE's global positioning (FY25)

1	Largest multi-asset class exchange
3	Third largest equity exchange (No. of trades, 17.1% share in FY25*)
1	Largest derivatives exchange (No. of contracts traded, 77.1% share in eq. F&O)
7	Market capitalization*

* Source: WFE, as of June 30th, 2025

Domestic market share

Three-month rolling share (%)



* Based on premium turnover

** As of July 31st, 2025

Reach

1,307	Trading members
99.85%	Pin codes covered
11.8 Crore	Unique registered PANs
US$101.9 bn*	Total passive AUM tracking Nifty indices
US$5.1trn	Market capitalisation of NSE listed cos.

As of July 31st, 2025, unless specified otherwise; *As of June 30th, 2025.

Source: NSE Market Pulse - August 2025

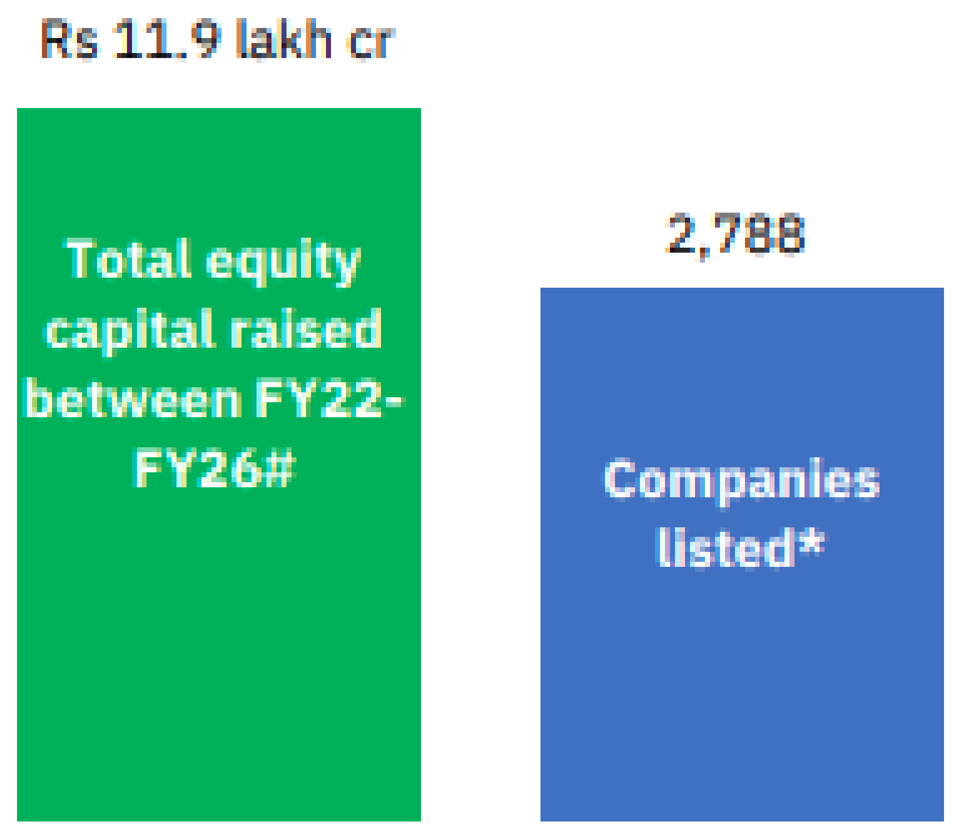
Association of National Exchanges Members of India

VOICE OF CAPITAL MARKET

NSE AT A GLANCE

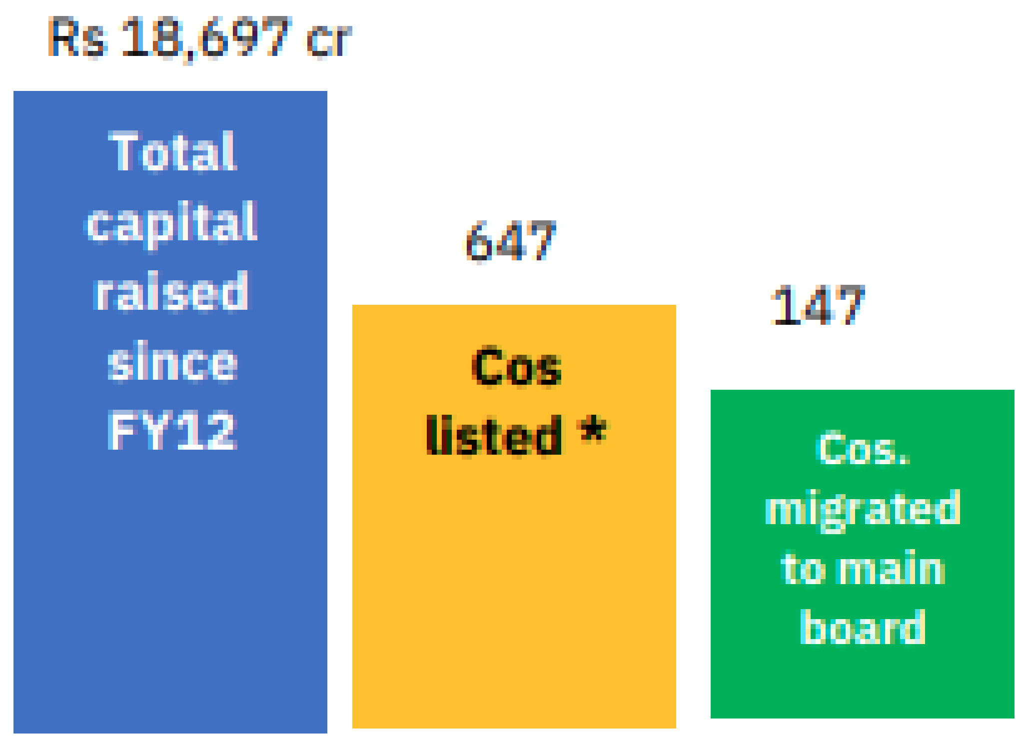
NSE's contribution to the economy

Catalyst for capital formation



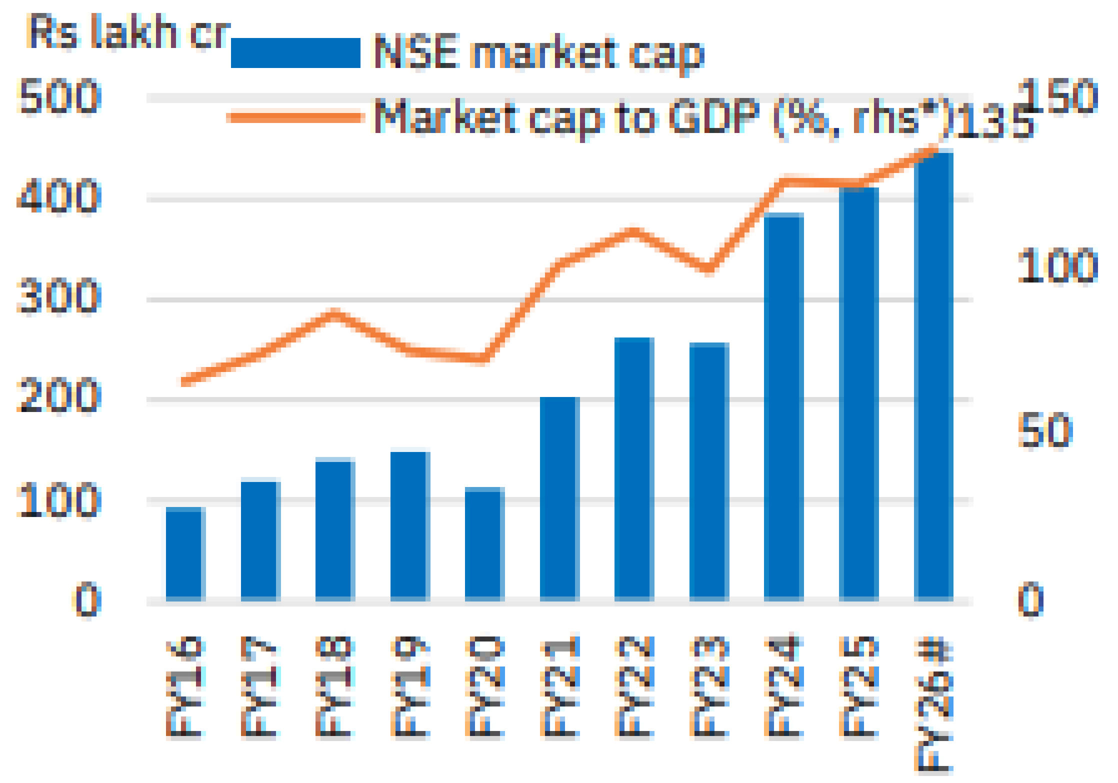
*Includes companies listed on NSE Emerge
#As of July 31st, 2025

Dedicated MSME platform



* Data includes companies that are migrated to Mainboard

Market capitalisation



* Market cap to GDP is based on 3M avg. market cap and nominal GDP for the last four quarters. #As of July 31st, 2025

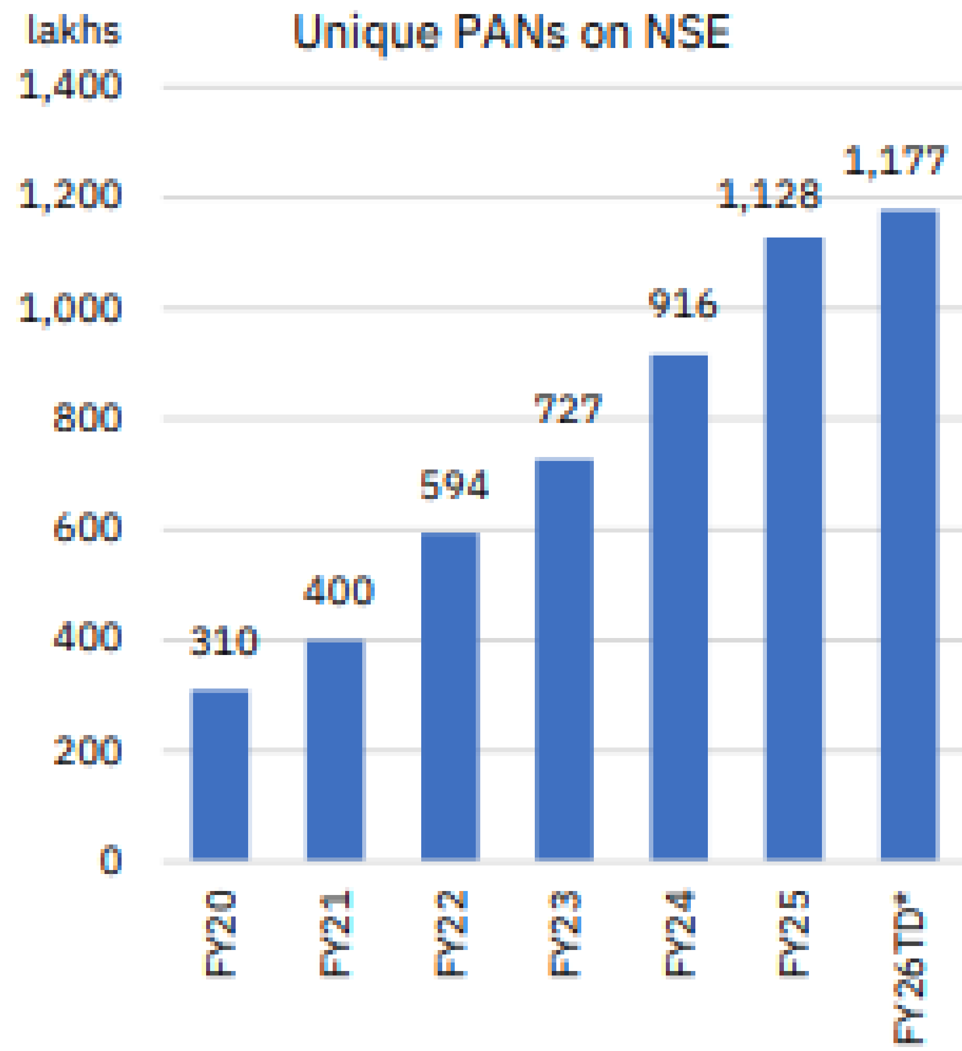
Source: NSE Market Pulse - August 2025

anmi™
Association of National Exchanges Members of India
Voice of Capital Market

NSE AT A GLANCE

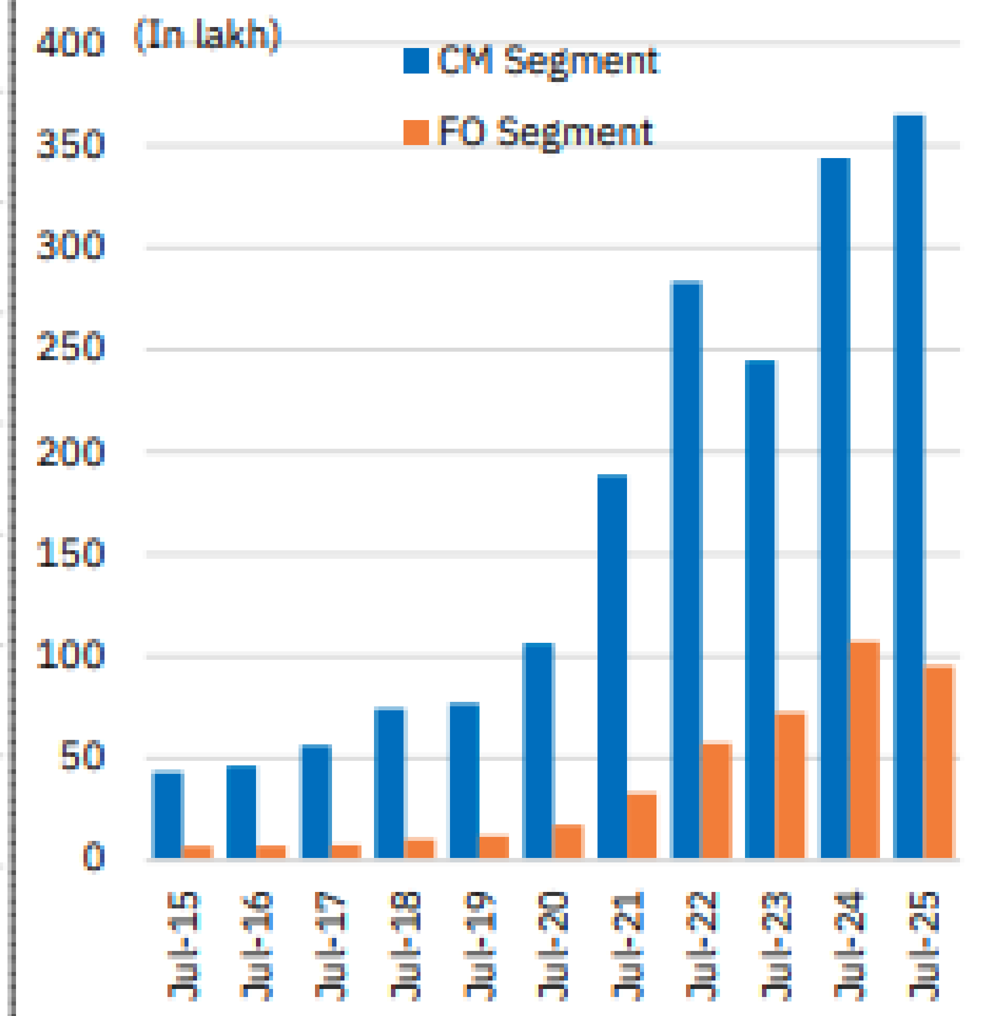
Investor growth

Unique investor base



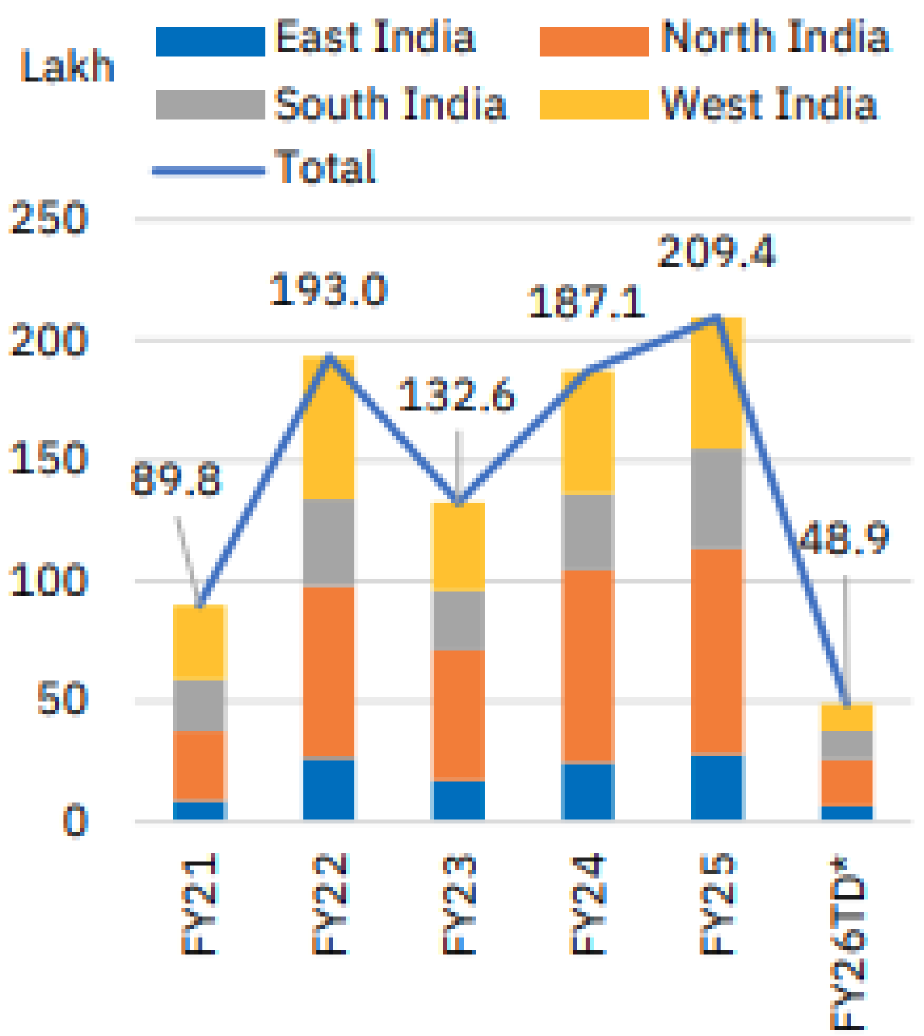
* As of July 31st, 2025

Individual investors' participation*



* Individuals investors' participation is defined here as investors who have traded at least once in the year.
*Above data is on 12-month rolling from August to July

New investor registrations

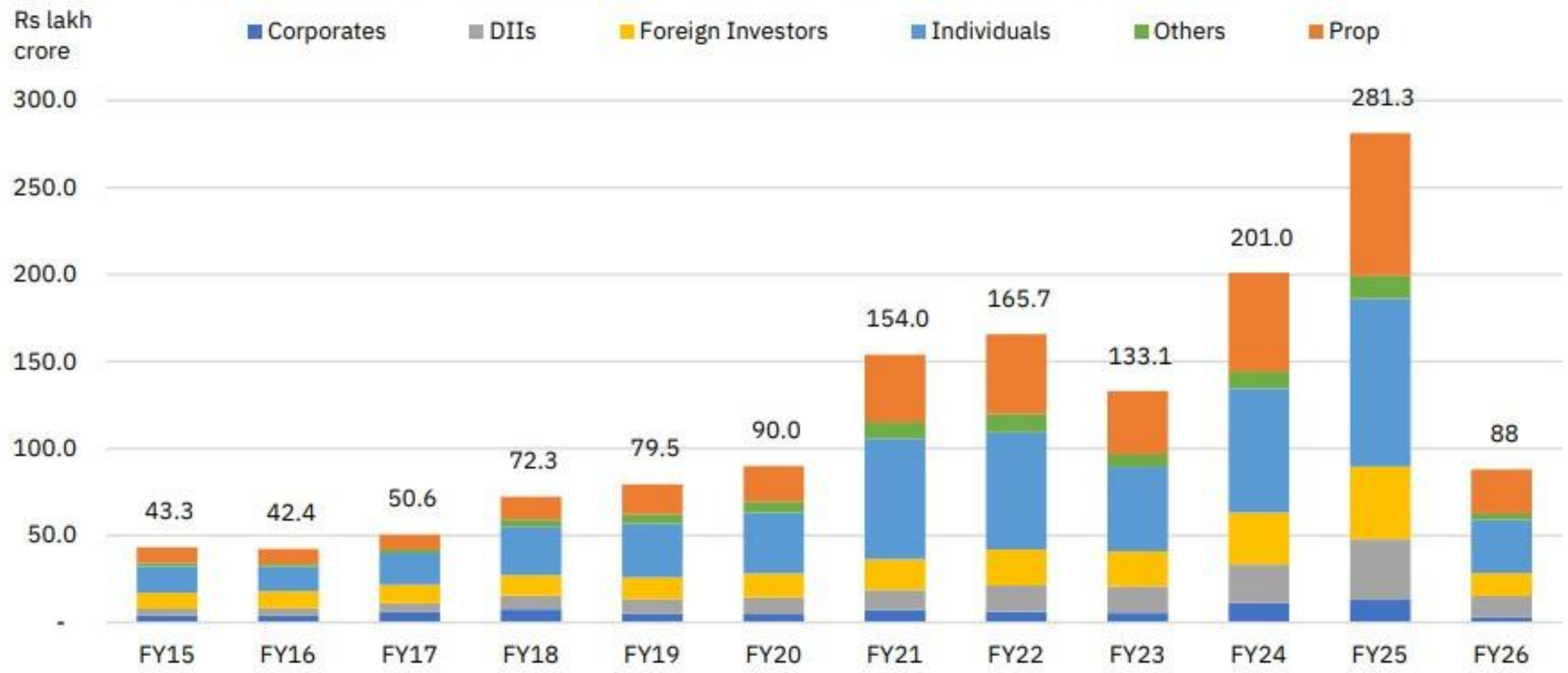


The top five states (UP, MH, GJ, TN, WB) accounted for 45.5% of new investor registrations in Jul'25. (FY26TD* denotes data till Jul'25)

Source: NSE Market Pulse - August 2025

TRENDS IN MODE OF TRADING GROSS TURNOVER IN NSE CASH MARKET SEGMENT

Figure 325: Annual trends in client category-wise turnover in NSE cash market segment



Source: NSE EPR.

Notes: 1. Client categories provided here are based on client category classification uploaded by the trading members in the UCC (Unique Client Code) system. The turnover data is based on client codes entered by trading members at the time of order entry and the corresponding client category classification provided by trading members in the UCC system. This is provisional data and subject to change, inter-alia, on account of custodial trade confirmation process, client code modifications etc.

2. DII –Bank, Insurance companies, Mutual Funds, Domestic Financial Institution (Other than banks & insurance), Domestic Venture Capital Funds, AIFs, PMS clients, New Pension Systems and NBFC; Foreign investors (FIs) – Foreign Institutional Investors, Foreign Portfolio Investors all categories, Foreign Direct Investors, Foreign Venture Capital Investors, Depository receipts, Foreign Nationals (FN), Qualified foreign investor, Eligible Foreign Entity and OCBs; Corporate - Public & Private Companies / Bodies Corporate; Individual – Individual / Proprietorship firms, HUF and NRI; Others – Partnership Firm/ Limited Liability Partnership; Trust / Society, Statutory Bodies, Non Govt Organization etc.; Prop – PRO Trades.

3. Above data represents share in single-side turnover i.e., (buy-side turnover + sell-side turnover)/2.

Source: NSE Market Pulse - August 2025

GIFT CITY, INTERNATIONAL FINANCIAL SERVICES CENTRE

India is no longer just participating in global finance we are shaping it. GIFT City is India's gateway to future-ready finance offering global investors a transparent, innovation-driven, and strategically regulated ecosystem.

Key Developments with Numbers (FY 25–26):

- **GIFT Nifty – Record Turnover**

GIFT Nifty, the flagship derivatives contract on the NSE International Exchange (NSE IX) at GIFT City, reached a new milestone in May 2025 with a record monthly turnover of $102.35 billion with a cumulative turnover of $1.93 trillion since July 2023.

SOCIAL STOCK EXCHANGE

Social Stock Exchange (SSE)

SEBI issued its Social Stock Exchange (SSE) framework on March 19, 2025, enabling regulated fundraising via instruments like ZCZPs (Zero Coupon Zero Principal).

Source: https://www.sebi.gov.in/legal/circulars/mar-2025/framework-on-social-stock-exchange-sse-_92767.html

Nine NPOs have raised funds on SSE, amounting to a total of ₹124 million.

Source: https://zerodha.com/varsity/chapter/social-stock-exchanges-an-introduction/#:~:text=As%20per%20the%20recent%20Economic,generation%2C%20skill%20development%2C%20etc.

4. Financial Market Regulatory FrAMEWORK

SEBI REGULATORY FRAMEWORK

Investor Protection & Market Integrity

Securities and Exchange Board of India (SEBI)

Role: Primary regulator of the securities market in India, established to protect investor interests and promote market integrity.

Key Regulatory Focus Areas:

- Investor Protection: Ensuring fair practices and safeguarding investor rights.
- Market Transparency: Enforcing strict disclosure norms to maintain market integrity.
- Corporate Governance: Promoting ESG compliance and enhancing governance standards among listed companies.
- Oversight of Exchanges: Regulating NSE and BSE to ensure efficient market operations and adherence to regulations.

5. Emerging challengES

EMERGING CHALLENGES

CURRENCY MOVEMENTS:

India's foreign exchange reserves have indeed recovered impressively—rising to about $702.8 billion by late June 2025, approaching the all-time high (~$704.9 billion). This bolstered RBI's capacity to intervene and support the rupee.

INFLATIONARY PRESSURE:

Global inflation trends impact India, but fiscal prudence and proactive RBI actions have kept inflation largely within manageable thresholds

MARKET LIQUIDITY:

Like all open markets, India faces short-term market swings.
However, strong corporate earnings, macroeconomic indicators, and investor trust continue to support long-term growth.

FUTURE OUTLOOK

Demographic Advantage
India's expanding middle and upper-middle classes are driving a larger consumer market. Notably, India's youthful population, characterised by a low median age, represents a significant potential consumer base.

Digital Economy
India continues to be ranked as the third-largest digitally advanced economy worldwide, based on economy-wide digitalization metrics. The digital economy is projected to reach USD 1 trillion by end-2025, showcasing rapid growth across sectors.

Infrastructure Pipeline
$1.4 trillion National Infrastructure Pipeline transforming connectivity

Global Manufacturing Partner
With Production-Linked Incentive (PLI) schemes across 14+ sectors, India is emerging as a reliable manufacturing base for global supply chains.

Thank You

ANMI remains committed to fostering transparent, efficient, and globally competitive Indian capital markets

Mr. Suresh Krishnamurthy
National President, ANMI