The enactment of **Depositories Act in August 1996** paved the way for establishment of NSDL in August 1996.
- It handles most of the securities held and settled in dematerialized form in the Indian capital market.
- NSDL works to support the investors and brokers in the capital market of the country.
- It aims at ensuring the safety and soundness of Indian marketplaces by developing settlement solutions that increase efficiency, minimize risk and reduce costs.

### Domestic institutional investors

DIIs are those institutional investors which undertake investment in securities and other financial assets of the country they are based in.

- DIIs include:
  - Banks
  - Insurance companies
  - Mutual funds
  - Domestic financial institutions.