

Preface

The **National Stock Exchange of India Ltd. (NSE)**, set up in the year 1993, is today the largest stock exchange in India and a preferred exchange for trading in equity, debt and derivatives instruments by investors. NSE has set up a sophisticated electronic trading, clearing and settlement platform and its infrastructure serves as a role model for the securities industry. The standards set by NSE in terms of market practices; products and technology have become industry benchmarks and are being replicated by many other market participants. It provides a screen-based automated trading system with a high degree of transparency and equal access to investors irrespective of geographical location. The high level of information dissemination through the on-line system has helped in integrating retail investors across the nation. The exchange has a network in more than 350 cities and its trading members are connected to the central servers of the exchange in Mumbai through a sophisticated telecommunication network comprising of over 2500 VSATs. NSE has around 850 trading members and provides trading in over 1000 equity shares and 2500 debt securities. Besides this, NSE provides trading in various derivative products such as index futures, index options, stock futures, stock options and interest rate futures.

At NSE, it has always been our endeavour to continuously upgrade the skills and proficiency of the Indian investor. Since, financially literate investors are the backbone of the securities market, knowledge and awareness about the securities market is of the foremost concern to us, starting with the most basic of information being made available as the first step.

This booklet has therefore been prepared for those of you who are keen to acquire some basic but key information about the stock markets as an initial step towards becoming a more informed investor. We hope this booklet will act as a means of satisfying some of your initial queries on the stock markets.