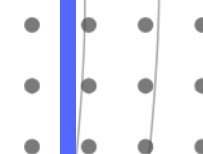


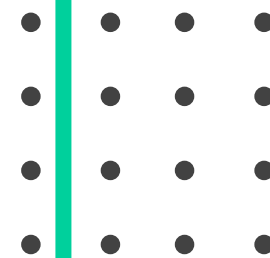
Players in the stock market

that facilitate stock market transactions



SEBI

SEBI (Securities and Exchange Board of India) is the stock market watchdog that protects the interests of investors, regulates the securities market, and watches over it for any malpractices. SEBI has designed the stock market world for us in a way that it has multiple checkpoints to ensure that it runs in a smooth manner.

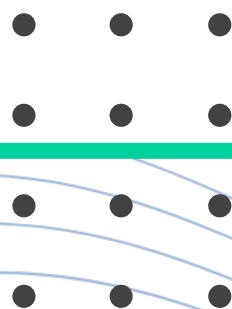


Stock Exchange

For stock trades to happen seamlessly, the market needed an organised platform, where they could be listed. Hence, stock exchanges were established. SEBI had mandated that only registered stock brokers can execute trades on the exchange. Apart from NSE and BSE, there are many other stock exchanges in India such as Calcutta Stock Exchange (CSE), Metropolitan Stock Exchange (MSE), India International Exchange (India INX), etc.

Stock Broker

A stock broker is someone you place an order with. The broker, in turn, places the order with the exchange it is registered with. It is one of the most important links between you and the stock exchanges.

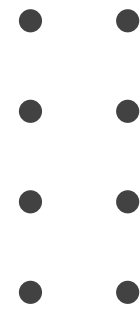


Depository

A depository is an entity that holds the records of demat accounts and securities held in electronic form. Earlier, you would have received a hard copy of share certificates for every transaction. After stock trading became popular with an increase in traders, it became cumbersome. Demat accounts came into the picture, where shares are credited into (after buying) and debited from (after selling). Depositories are mandated by SEBI to keep a track.

Bank

Where there is money and a need for regulation, a bank is a must. When an investor purchases shares, they need to transfer funds to the broker. Also, when they sell those shares, they need to receive funds from the broker. Hence, a bank is one of the essential financial intermediaries in the capital market. It allows SEBI to have a controlled environment during the transfer of funds.



Clearing Corporation

The concept of a clearing house or clearing corporation is not new to the financial ecosystem. Banks have been using clearing houses for settling check payments for years. In the capital markets, a clearing corporation is responsible to ensure that trades are successfully closed. The clearing corporation facilitates this trade by making both investors aware of each other's offer.