There are two major stock exchanges in India:

* **National Stock Exchange (NSE)**
* **Bombay Stock Exchange (BSE)**

1. **SEBI (Stock & Exchange board of India)** is the regulator of the securities market in India. They set the legal framework and regulate all entities operating in the market.
2. Companies go public to raise funds, provide an exit for early investors, reward employees and gain visibility.
3. Merchant banker acts as critical partner with the company during the **IPO (Initial Public offering)** process.
4. SEBI regulates the  IPO market and has the  final word on whether a company can go public or not
5. As an investor in the IPO, you should read through the **DRHP** to know everything about the company.
6. Most of the IPOs in India follow a **book-building process**.
7. There are two main indices in India – The **BSE Sensex** and **NSE’s Nifty**
8. An index can be used for a variety of purposes – information, benchmarking, trading and hedging.
9. Index trading is probably the most popular use of the index.
10. India follows the free-float market capitalization method to construct the index.
11. The day you make a transaction, the trade date, is represented as ‘T Day.’
12. The broker is required to issue you a contract note for all the transactions carried out by the end of T day.
13. When you buy a share, the same will be reflected in your DEMAT account by the end of T+2 days.
14. All equity/stock settlements in India happen on a T+2 basis.
15. The shares are blocked immediately when you sell shares, and the sale proceeds are credited again on T +2 days.
16. Dividends are a means of rewarding shareholders. The dividend is announced as a percentage of the face value.
17. If you aspire to get the dividend, you must own the stock before the ex-dividend date.
18. A bonus issue is a form of the stock dividend. This is the company’s way of rewarding the shareholders with additional shares.
19. A stock split is done based on the face value. The face value and the stock price change in proportion to the change in face value
20. A rights issue is how the company raises fresh capital from the existing shareholders. Subscribe to it only if you think it makes sense
21. Buyback signals a positive outlook of the promoters. This also conveys to the shareholders that the promoters are optimistic about the company’s prospects.