

KLE Society's
Lingaraj College, Belagavi
(Autonomous)

Department of **BBA : V Semester**

Depository Operations
(w.e.f. 2018 – 19 and onwards)

Teaching hours per week – 04 : Maximum Marks : 100 Marks
Semester End Examination : 70 Marks
Internal Assessment : 30 Marks

Course Outcome:

At the end of this course students will be able to:

1. Know the basics of the depository system, the need and key features of the depository system in India.
2. Understand the institutional structure of the depository system in India and the business partners of a depository.
3. Understand the procedure and documents required for Demat account opening.
4. Understand the regulatory framework of Depository System in India.
5. Know the various functions of the Depository and its Depository Participants.

Syllabus

Modules	Syllabus	HOURS
Module 1	Introduction to the Capital Market, Introduction to Depository <ul style="list-style-type: none"> ● Introduction to Capital Market ● Structure of Capital Market ● Regulatory environment in Capital Market ● Regulators in the Indian capital market ● Need for a depository system ● Depository as a market participant ● Legal framework in which the depositories function in India ● Functions of a depository 	08
Module 2	Depository and its Business Partners, Functions of DP -Account Opening 12 Hrs <ul style="list-style-type: none"> ● Depository participants (DPs) ● <u>Clearing corporation/Clearing house</u> ● Issuers and RTAs ● Types of demat account a person can open with a DP ● Beneficiary Account ● Clearing Member account ● Closure of account ● Freezing of account ● Procedure and documentation for changes in client details 	12

Module 3	Functions of DP –Nomination &Dematerialization <ul style="list-style-type: none"> ● Transmission of shares ● Nomination of shares ● Process of transmission of securities held with or without nomination and jointly ● International Securities Identification Number (<u>ISIN</u>) ● Process of dematerialization ● Process of rematerialization 	08
Module 4	Functions of DP-& Trading &Settlement ,Pledge and Hypothecation, <ul style="list-style-type: none"> ● Role of DP in facilitating the transfer of securities ● Off-Market transactions, ● Market transactions ● Inter-Depository transfers ● Concept for pledge and hypothecation ● Procedure for pledge and hypothecation 	10
Module 5	Corporate Actions & Public Issues, Debt Instruments and Government Securities <ul style="list-style-type: none"> ● Corporate Actions ● Procedure for Corporate Action w.r.t monetary benefits and non-monetary benefits ● Procedure for Corporate Action w.r.t rights issue ● Procedure for Corporate Action w.r.t mergers and amalgamations ● Procedure for Corporate Action w.r.t Interest payment on debt securities ● Role of DP in the process of public issues ● Debt instruments and government securities, ● Certificate of deposit (CDs),Commercial paper,Government securities 	06
Module 6	Foreign Portfolio Investor,RGESS& BSDA <ul style="list-style-type: none"> ● Eligibility Criteria of Foreign Portfolio Investors (FPI) ● Categories of FPI ● Eligibility Criteria and Engagement of Designated Depository Participant (DPP) ● Procedure for opening an account to invest in RGESS ● Features of BSDA ● Eligibility conditions required for opening BSDA 	10

TEXT BOOKS:

1. Taxmann's Depository Operations
2. Handbook for NSDL Depository Operations Module