KARVY MONEY TRADE

Ms M RAMA, Associate Professor, chrama.24@gmail.com, Rishi UBR Women's College, Kukatpally, Hyderabad 500085

ABSTRACT:
The necessity for setting up a depository paper less trading has been alleviated in part because of depository systems, which have sped up the delivery and settlement of securities.

For the sake of efficiency and effectiveness in the capital market, the introduction of an online trading system and settlement was a must.

INTRODUCTION

The Capital market is a market for financial assets which have a long or indefinite maturity. Generally, it deals with long term securities which have a maturity period of above one year. Capital market may be further divided into three types Industrial securities market, Government securities market and Long term loans market. Industrial securities market is further divided into two types primary market or new issue market and secondary market or stock exchange. Government securities market is also called as Gilt-Edged securities market. It is the market where Government securities are traded. Long term loans market is divided into three types Term loans market, Mortgages market and Financial guarantees market.

Absence of capital market instruments acts as a deterrent to capital formation and economic growth. Resources would remain idle if finances are not funneled through the capital market.

The capital market instruments serves as an important source for the productive use of the economy's savings. It mobilizes the savings of the peoples for further investment and thus avoids their wastage in unproductive uses.

It provides incentives to saving and facilitates capital formation by offering suitable rates of interest as the price of capital.

It provides an avenue for investors, particularly the household sector to invest in financial assets which are more productive than physical assets.

CHAPTER II
REVIEW OF LITERATURE

REVIEW OF LITERATURE
CAPITAL MARKETS

The term "capital market" refers to the marketplace for trading financial instruments used to make investments, such as bonds, stocks, and mortgages. The primary function of the capital market is to facilitate the flow of money from those who have a surplus to those who have a deficit. Short-term and long-term funding options are also available in the capital market. The state of the capital market is indicative of the state of the economy as a whole. The future of the economy is reflected in the capital market, which discounts it. It is the ultimate barometer of every economy's long-term health.

INDIA'S CAPITAL MARKET SITUATION: The securities market has seen significant improvements in both regulatory framework and efficiency of trading and settlement as a result of reforms such as the creation and empowerment of SEBI, market-determined allocation of resources, screen-based national-wide trading, dematerialization and electronic transfer of securities, rolling settlement and ban on deferral products, sophisticated risk management, and derivatives trading.

INVESTMENT MARKET DEVELOPMENT IN INDIA:

The Bombay Stock Exchange (BSE) was founded by twenty-two ambitious brokers under a Banyan tree in 1975, marking the beginning of what is now known as the Indian Securities Market. The Indian stock market has been one of Asia's most dynamic during the last 125 years. The structure and functioning effectiveness of India's modern marketplaces are in line with those of other developed nations.

OLD METHOD OF TRADING:

There was much commotion in the old trade system. Share dealers would yell out prices in the trading pit, and buyers would respond in like. A contract was drawn up for the buyer and seller, as well as one for the swap, if the rates were compatible. The broker receives a daily volume sheet at the end of the day detailing all of the member's trades for that day.

PRESENT TRADING MECHANISM:

The National Stock Market System distributes a unified market for securities throughout the country. It facilitates trades between investors in different parts of the nation at competitive prices using the stock exchanges' members and then clears and settles such trades quickly and cheaply.

THE GOALS OF THE CURRENT MARKETING SYSTEM:

Inefficient manual processes must be replaced if the stock market is to expand its trading capabilities.

Reduce the number of mismatched deals and the time it takes to notify them.

The market must be monitored, controlled, and surveilled in real time as well as in the background.

HOW IT WORKS:

A stock broker may become a member of the stock exchange only after meeting certain requirements. The stock market may be accessed using the broker's online connection. The technology provides him with real-time access to market data, including price quotations, stock levels, supply and demand, and the ratio of buyers to sellers.

RESPECTED STOCK MARKETS:

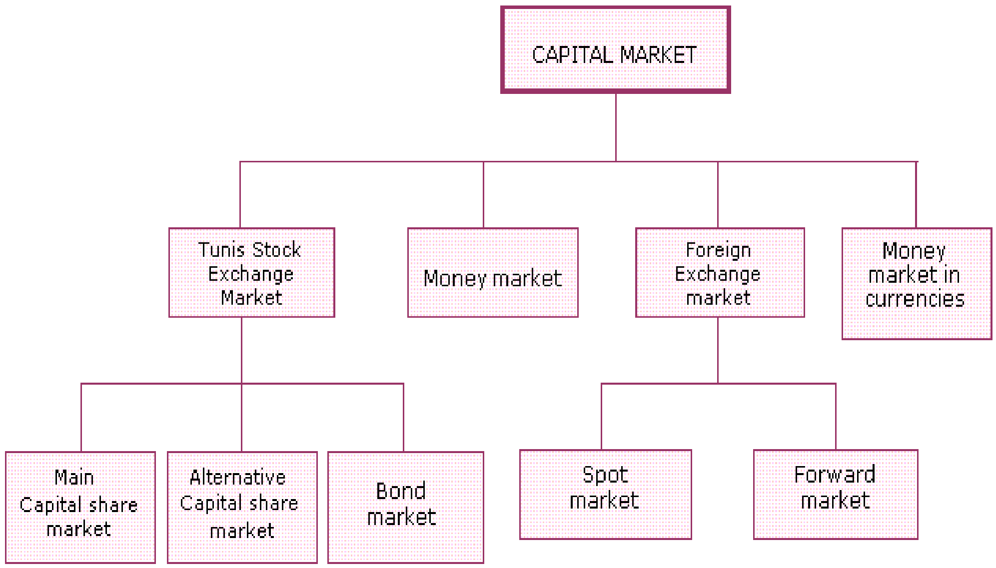
The Indian stock market is one of 22 worldwide. These originated at various periods and locations and were governed by various statutes. However, the Securities Contracts (Regulation) Act of 1956 applies to all of them and regulates them uniformly. Section 19(1) of the SC(R) Act, 1956 states that no individual may create any stock exchange other than the approved stock exchanges.

INDIAN CAPITAL MARKET

The Indian Capital Market has been functioning for close to 200 years, making it one of the region's oldest financial exchanges.

The history of India's stock exchanges

Stocks and shares were traded at Bombay's banks and cotton mills in the 1930s.



EQUITY SHARES:

They are also called as common stock. The common stock holders of a company are its real owners, the own the company and assume the ultimate risk associate with ownership. Their liability, however is restricted to the amount of their investment in the event of liquidation, these stock holders have a residual claim on the assets of the company after the claims of all creditors and preferred stock holders, are settled in full.

Common stock like preferred stock, as no maturity date.NSE started trading in the equities segment (Capital Market segment) on November 3, 1994 and within a short span of 1 year became the largest exchange in India in terms of volumes transacted.

AUTHORIZED, ISSUED AND OUTSTANDING SHARES:

The term "authorized share" refers to the maximum number of shares that the company is allowed to offer in the market under its articles of association (AOA). However, the number may be increased by amending the AOA.

The term "issued shares" refersto the quantity of a company's authorized shares that have been distributed to shareholders. The ideal situation for a firm is to have approved but unissued shares.

These shares are not yet issued, therefore they may be used for options, mergers, or stock splits. The term "outstanding shares" is used to describe the total number of issued and publicly owned shares.

Let's pretend xyz inc. has set up shop for the first time and has sold 10,000 shares at Rs. 10 each. If there were 10,000 shares of common stock, each worth $10, then it would total $100,000 in shareholders' equity on the balance sheet. The total equity of all shareholders is RS100,000.Equity per share is calculated by dividing shareholders' equity (total assets minus liabilities and preferred stocks) by the number of outstanding shares of common stock.Let's pretend that after a year in business, xyz has made RS 500,000 in after-tax earnings, but you still have to divide by a thousand. Therefore, RS 50,000 is retained profits. Book value per share is now RS 25 after the increase in equity from RS 100,000 to RS 190,000.Although it would make sense for book value per share of stock to equal liquidation value (per share), in practice this is seldom the case. When liquidating, assets are often sold for less than they are worth.

Cost to produce:

The current stock price is considered the market value per share. Market price quotes are easily accessible for actively traded equities. Many people involved in actively traded equities with thin marketplaces find it challenging to secure a price. Even if available, the data may be based on the sale of a small number of shares of common stock rather than reflecting the typical market value of the company. In most cases, the market price of a share of common stock will be higher than its book value or liquidation value. The price an investor is willing to pay for a share of common stock depends on the market's assessment of the stock's risk in relation to the dividends the firm pays out now and in the future.

Rights of common share holders:

First, income entitlements:

Creditors may take legal action to ensure that principle payments are paid or the firm is liquidated if it fails to pay contractual interest and principle and payments to creditors. However, common stockholders have legal redress against a firm that does not distribute earnings to them. Shareholders may sue the corporation for dividend payments only if there was fraud on the part of management, the board of directors, or both.

1. the right to vote:

Companies are owned by their common shareholders, who also get to vote for the board of directors. When it comes to major firms, shareholders seldom have any direct influence beyond electing the board of directors. Management is appointed by the board, and it is in charge of running the business day-to-day. The owners of a small firm, such as a sole proprietorship, partnership, or corporation, often exercise hands-on management responsibilities.

Proxy voting and proxy battles:

For every share of common stock a shareholder owns, he or she is entitled to one vote. Most shareholders find it inconvenient and costly to travel to and attend annual shareholder meetings of their companies. As a result, many shareholders exercise their voting rights by appointing another individual to act on their behalf, using a proxy.

Methods of voting:

The method of electing board members—majority rule or cumulative voting—varies from organization to organization. In a majority voting system, stockholders are required to cast a vote for every director post up for election. A stockholder using a cumulating voting method may amass votes and then use them to elect less than the required number of directors. Each stockholder has as many votes as their portion of stock multiplied by the number of directors up for election.

PREFERENCE SHARES

Having characteristics of both common stock and bond, preference shares may be thought of as a kind of hybrid instrument. The assets and dividends of a company are treated more favorably for preference shareholders. Preference shareholders have priority over common shareholders in the event of a winding up. Furthermore, the stated dividend for preference shareholders is paid before any dividends are paid to the equity owners.

PREFERENCE SHARE TYPES:

1. Preferred Stock, Cumulative and Non-Cumulative:

During years when earnings are plentiful, holders of cumulative preference might use their entitlement to receive dividends that were previously underpaid. Before any dividends may be distributed to equity stockholders, all outstanding preference dividend arrears must be settled. The non-cumulative preference share entitles the holder to a predetermined dividend payment from the company's annual earnings. If there are no earnings that year, the shareholders get nothing, and they have no right to any unpaid dividends in later years.

Preference shares convertible at a cumulative rate:There is a kind of share called a cumulative convertible preference (CCP) share that combines elements of stock and preference shares. The rights of the instrument holders must be set forth in either a general body resolution or in the articles or in the terms of issues in the offer documents, viz., the prospectus/letter of offer, as the CCP shares capital would constitute a class of shares distinct from purely equity and purely preferences share capital.

Preference shares that participate and those that don't

After dividends at a certain rate have been paid to equity shareholders, the holders of participating preference shares are entitled to share in any remaining earnings with the shareholders of equity shares. In the case of a winding-up, the holders of participating preference shares are entitled to extra shares in the excess assets of the firm once all other creditors have been paid in full. In the case of a winding up, the fixed preference dividends and return on capital will be paid out of the realized values of the assets remaining after all external obligations have been satisfied, unless otherwise specified. The conditions of issue, the memorandum and articles, or both might confer the right to participate.

Preference Stock, Both Redeemable and Nonredeemable:

A public limited company may issue redeemable preference shares with a redemption date or term within the company's lifetime, subject to an authorization in the articles of association. In accordance with the Companies Act of 1956, no preference share may be issued that is either irredeemable or redeemable beyond the lapse of twenty years from the date of issuance.

Preference Share Issuance Authority:

A corporation may issue redeemable preference shares in accordance with Section 80 of the Companies Act of 1956 if:

The corporation has a share limit.

The company may issue redeemable preference shares since it says so in its articles of incorporation.

The business has the right to redeem the shares at any time.

In the following situations, a firm may issue redeemable preference shares:

Any dividends that might have been paid out of the company's earnings instead go toward redeeming these preference shares.

Such redemption may also be funded by the proceeds from the issuance of new shares for that purpose.

Any such shares being redeemed must first be fully paid.Before the shares are redeemed, the premium on redemption must be paid for out of the company's earnings or the securities premium account.

When capital stock is redeemed using earnings, the funds go into a designated "capital stock" account.

No deduction shall be made from the Company's Authorized Capital due to the redemption of Preference Shares under this Section.

Full payment for bonus stock may come from the Capital Redemption Reserve. Preference shares that are redeemable beyond 20 years from the date of issuance are prohibited, as are irredeemable preference shares. Each official of the firm who is responsible for the default may face personal liability of up to Rs 10,000.

Founders'/Deferred Stock Awards:

Deferred or founder's shares may be issued by a private firm. Such stock is often owned by the company's founders and board of directors. For this reason, they are often of a lower denomination, such as a single rupee. Nevertheless, they are often handed out. Equity shares, regardless of their denomination (Rs1 to Rs10, for example) have the same voting rights as debt shares. The promoter may thereby acquire influence in the company's management with very modest investments. Dividends on both the preference and equity shares have been issued and will be paid. This postponement of the dividend payout is the reason why these

Deferred shares are another name for shares. Promoters, founders, and directors often have a vested interest in the company's success and will only get dividends on their shares if there is enough money left over after preference and equity owners have been paid. The dividends paid on these shares will increase as the company's earnings increase.

Premium-priced stock grants:A "securities premium account" is a special bank account set up for the exclusive use of premiums earned when a business sells shares for more than their face value.The following are examples of how the corporation could use the provision of the act concerning reduction of shares capital to the securities premium account:

DEBENTURES

"Acknowledgement of debt, given under the seal of the Company, containing a contract for the repayment of the principal sum at a specified date and for the payment of interest at a fixed rate percent until the principal sum is repaid, and it may or may not give the charge on the assets to the Company as security for the loan."

Debentures, what kind:

Bearer debentures, like share warrants, are transferable by delivery and are negotiable securities. Coupons tied to bearer debentures are how interest is dispersed. At the time of maturity, the holder will get the face value.

Debentures registered in the name of a specific individual or group of individuals are known as "registered debentures," and they may only be cashed in by those individuals or groups whose names are listed on the register. These debentures have the same transferability as stock.

Debentures with no payment provisions or provisions stating that they will not be repaid are known as perpetual or irredeemable debentures, respectively. The only way these debentures may be cashed in is if a certain event occurs before the end of the specified time. Debentures may, therefore, be issued with an indefinite maturity.

To rephrase, the loan is not due until the business is dissolved or after a very long time has passed.

Debentures that may be redeemed after a certain amount of time are called redeemable debentures. At the end of the time period, the corporation is free to repay the debenture holders and remove the mortgage or charge from its assets. Debentures may usually be redeemed for cash.

Debentures issued as collateral security for a loan are referred to as secondary security since their holder benefits from their value if the loan is not repaid on time or as agreed upon by the parties. Debentures are a kind of security instrument that may be used as collateral to loan providers. Debentures are issued with a face value that is more than the loan amount. When a loan is returned in full, any debentures that were issued as collateral are immediately redeemed.

Naked debentures (1): Typically, a mortgage or charge on the company's assets is used to secure debentures. Debentures, on the other hand, need not place a lien on the company's assets in order to be issued. These are referred to as "naked" or "unsecured" debentures. They do not provide any rights to anybody other than the secured creditors to whom they were issued as evidence of debt owed by the corporation.

Fixed charge on the undertaking of the company i.e. Whole of the property of the company, both present and future, and when it can deal with the property in the ordinary course of business until the charge crystallizes, i.e. when the company goes insolvent. 2. Secured debentures: when any particular or specified property of the company is offered as security to the debenture holders and when the company can deal with it only subject to the prior right of the debenture holders. Debenture holders have the right to be paid out of the assets when the floating charge crystallizes, ahead of any payment to unsecured creditors but subject to the right of the preferred creditor

WHAT MAKES A GDR WHAT IT IS:

Depository receipts are negotiable certificates backed by the issuer's publicly listed equities.

The issuer, acting as agent to a foreign depository, would be involved in an issuance of depository receipts.

To prove their status as stockholders, the depository issues GDRs.

Depository Receipts are listed on a foreign exchange, often in London or Luxembourg, and are denominated in a foreign currency.

Global Depositary Receipts (GDRs) allow investors to trade a dollar-denominated asset on a global stock market while retaining rights to foreign shares.

The GDR's primary goal is to provide foreign investors a place to call home in the host country.

Dividends must be paid to the depository by the issuer in local currency.

The depository must then exchange the local currency into US dollars before making payments to the holders of the receipts. There is no repayment risk associated with GDRs.

DERIVATIVES

In other words, it's a contract whose worth is tied to the performance of another asset (such a stock, currency pair, commodity, or index). A derivative is an effort to protect oneself against the risk associated with any economic variable. In this way, a company might use a derivative structure to protect itself from the risks associated with fluctuations in interest rates, currency exchange rates, commodity prices, and stock prices.

Futures, forwards, options, swaps, and their many permutations all fall under the umbrella of this kind of derivative arrangement. These contracts may be standardized for trading on the different markets or tailored to meet specific needs.

Certain sorts of futures and forwards were used by farmers and merchants in the Middle Ages to manage the risks associated with growing and selling crops.

The farmer just wants to make sure he gets a fair price for the grain he plans to harvest in [maybe] three to four months.

He suffered greatly due to an abundance of supplies. The inverse is true for the grain dealer. If production of the agricultural commodity drops, prices will rise. Therefore, they should agree on a price for the future. This is how the futures market for cotton, coffee, petroleum, soya bean, and sugar emerged, followed by the futures market for interest rates, foreign currency, and shares in public companies. The Chicago Board of Trade started offering derivatives trading in 1995. The growth of the derivatives market depends on three main types of players.These people are known as hedging professionals, traders, and arbitrageurs. The three elements must coexist

Contingency Hedging:

When it comes to taking chances, a hedger will always choose to play it safe. He is likely the treasurer of a government-owned Indian firm and is looking for 2002 interest cost estimates. Therefore, he would engage into future contracts based on the present data and lock in his interest rate for the next four years. He is ignoring the possible upside, in this case the probability that interest rates would be lower in 2002 than they were when he signed the deal four years earlier. Hedgers tend to avoid risk. There must be another party prepared to profit from the price fluctuations for the hedging transaction to go through. You just described a speculator.

Speculators:

The speculator is the antithesis of the risk-averse hedger. The Speculator stands to lose a lot of money if his prediction is incorrect, but a lot more if he's right. A derivatives market cannot exist without the risk-taking that comes with speculation.

ARBITRAGEUR: The third kind of trader is the "arbitrageur," who seeks to minimize risk while maximizing profit by trading in many markets at once. Taking advantage of time or location differences is possible because markets are seldom ideal. Futures trading has arrived in India's stock exchanges, and the country's government has authorized futures trading on a number of commodities, so index-based derivative trading may now take place. The government of India has initiated the processes of dematerialization of shares, short sale facility, electronic money transfer facility, and rolling settlements in stock exchanges to facilitate the efficient operation of derivative trading. In addition to bringing more clarity to the derivatives market, this should also attract a broad range of hedgers and speculators from professionally managed corporations, which not only need a healthy financial foundation but also sophisticated trading and risk management practices. Talks to establish a clearing house for derivatives transactions have begun between the stock holding company of India and the leading stock exchanges in India.

Futures:

Futures contracts are agreements to purchase or sell an asset at a future date and price that are exchanged on an exchange. The stock index itself is the underlying asset for stock index futures contracts. The futures contracts are made easier by the exchange's standardization of key aspects of the contracts. Once purchased, standardized contracts may be sold whenever necessary to close the position up to the contract's expiration date. Futures contracts may be purchased back at any moment to close out a position after they have been sold. That's why you may settle a futures contract early by doing the exact opposite, or "offsetting," trade. This is how more than 99 percent of all futures trades are settled.

FURTURE TERMINOLOGY:

SPOT PRICE:

The price at which an asset trades in the spot market.

FURTURE PRICE:

The price at which the future contract trades in –the futures market.

CONTRACT CYCLE;

The time frame in which a contract is actively traded. The NSE and BSE index futures contracts have monthly, bimonthly, and quarterly terms that end on the last Thursday of each month. A contract with a July expiry date would thus be valid until the following Thursday. A new contract with a three-month expiration date would be presented on the Friday after the previous Thursday. Generally speaking, a new contract with a three-month expiration would be issued for trade on the first trading day following the day of the expiry of the month's future contract.

END OF LIFE:

The contract's future date has arrived. The contract trading day has come to an end. By the end of that day, I shall no longer exist.

SCOPE OF THE WORK:

The quantity of the asset less than one contract's worth that must be delivered. Stock index futures contracts on the NSE nifty have a contract size of 50, while those on the BSE Sensex have a contract size of 200.

BASIS:

A common definition of basis is the difference between the spot price and the futures price. For the same asset, the basis will change depending on the delivery month. Nifty ended the day on June 19, 2022, at 1106.65. The last trade in Nifty August 2022 Futures was at 1108.90. As a result, the August nifty futures contract has a base of -2.25 Index points. Basis is expected to be negative in a typical market. This indicates the expense of carrying the underlying asset until it is eventually delivered.

to the investor via the company's registrant and transfer agent.

Securities lending and borrowing. With the help of an approved intermediary who has set up a separate intermediary account with the DP, a customer who already has a beneficiary account with the DP may electronically lend or borrow stocks.

Securities transmission NSDL allows the transfer of a client's securities balance in the event of death, insanity, bankruptcy, insolvency, or any other legally permissible transfer. in the event that the customer account had several signatories and one of those signatories had passed away. In the event that the

If the client who passed away was the only one with access to the account, only his or her heirs or legal representatives will be recognized by NSDLas as having any claim to the security balance in that account.

CHAPTER III

COMPANY PROFILE

COMPANY PROFILE

Bringing industry, finance and people together

ABOUT US:

The Karvy corporation was established in Hyderabad, India, back in 1983. In almost every market it serves, Karvy is a top contender. Managing over two million accounts for its approximately 500 blue chip corporate clients, Karvy Computershare Limited is the biggest Registrar and Transfer Agent in India. Karvy Stock Brokers Limited is one of India's leading brokerage firms. It is a participant in both the National Stock Exchange of India and the Bombay Stock Exchange. Among the top 5 Depositary Participants in India, registered with NSDL and CDSL, it has about 6,000,000. Karvy Comrade is one of India's top three commodities dealers and an NCDEX and MCX member.

According to IRDA, Karvy Insurance Brokers is one of the top five insurance agencies in India. Karvy is one of the leading mutual fund mobilizes, with more than Rs. 5,000 billion in assets under management, and is a registered corporate Agent with AMFI. Since its founding in 2007, Karvy Realty Services has been well recognized as a leading real estate broker. U.S. companies may take advantage of Karvy Global's specialized off-shoring services.

Karvy has 575 offices in 375 different places in India and in Dubai and New York City abroad. Karvy employs more than 9,000 workers with advanced degrees.

Organization

In 1979, five chartered accountants established Karvy. Partners came to the conclusion that they might give more value to their customers by providing services other than auditing. On July 23, 1983, Karvy Consultants Limited was established as the first member of the Karvy Group

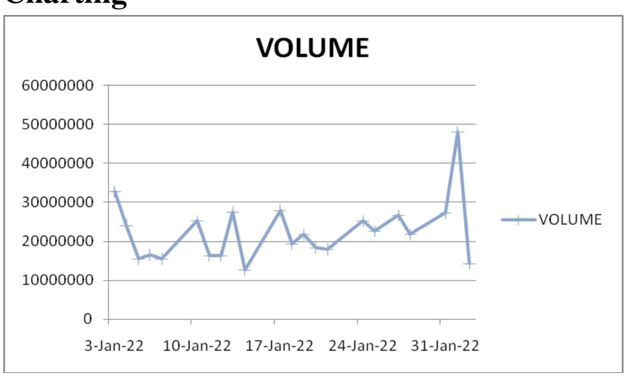
IV DATA ANALYSIS & INTERPRETATION

STOCK MARKET

Tatamotors

Date	series	OPEN	HIGH	LOW	vwap	52W H	52W L	VOLUME	No of trades
3-Jan-22	EQ	493.5	500.85	492	496.63	536.7	185.05	32748423	353792
4-Jan-22	EQ	496.8	499	484.05	490.08	536.7	185.05	24100985	257447
5-Jan-22	EQ	486.95	492.75	483.55	488.5	536.7	185.05	15420105	166910
6-Jan-22	EQ	481.5	492.95	477.1	486.55	536.7	185.05	16563230	177074
7-Jan-22	EQ	490.05	495.5	483.75	489.39	536.7	185.05	15532165	161046
10-Jan-22	EQ	493.1	504.9	491.3	500.63	536.7	199.65	25193771	275718
11-Jan-22	EQ	503	507.9	498.15	503.8	536.7	199.65	16269193	194868
12-Jan-22	EQ	505.85	511.85	503.5	507.75	536.7	199.65	16255334	195823
13-Jan-22	EQ	504	513.8	494.8	505.24	536.7	199.65	27572553	299384
14-Jan-22	EQ	509	515.4	505.65	510.8	536.7	199.65	12655602	137895
17-Jan-22	EQ	514.8	526.9	512	523.11	536.7	241.15	27942414	306012
18-Jan-22	EQ	527.9	528.5	507.15	520.01	536.7	241.15	19353195	203110
19-Jan-22	EQ	510	522.2	504.8	514.8	536.7	241.15	21799071	241471
20-Jan-22	EQ	519.95	523.2	512	518.1	536.7	241.15	18364451	203055
21-Jan-22	EQ	510.4	513.85	494.25	506.81	536.7	241.15	17946821	202791
24-Jan-22	EQ	499.7	504.3	473.35	484.18	536.7	255.35	25228959	322276
25-Jan-22	EQ	473.8	492.5	467.65	483.39	536.7	255.35	22565698	263475
27-Jan-22	EQ	480.75	502.7	476.6	488.98	536.7	255.35	26676094	331831
28-Jan-22	EQ	500.5	509.35	495.3	502.87	536.7	255.35	21784640	245257
31-Jan-22	EQ	505	520	498.2	509.8	536.7	255.35	27306578	296929

Charting



INTERPRETATION:

The starting value on January 3rd went up from $493.50 to $500.85. The range from 496.63 to 500.85 EPS is then used for comparison. Next, we'll see a drop in pricing from $493.50 to $492. Overall, the range is 515.90–526.50 points high.

More people tend to visit on the same days every week. This week, Tata Motors saw an overall increase in earnings per share of 0.21%.

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CHAPTER -V
FINDINGS
SUGGESTIONS
CONCLUSION

FINDINGS

This method has shown its usefulness by reducing the time it takes to complete a transaction from T+5 days to T+3.

It has recently been proposed that settlement would be completed within T+1days in the near future, which would be a huge improvement for the demat and capital market instruments system.

Derivative trading on the Indian indices has been going on for a while now.

There hasn't been much of a boom in the value or amount of transactions on Actively.

The capital markets punters applauded the launch of derivative trading, but it hasn't caused much of a tidal wave.

Derivative markets in India are struggling because of a number of issues.

The most significant of these difficulties is the high cost of transactions, followed by the lack of clear instructions on tax-related issues.

SUGGESTIONS

The availability of derivative products such as index futures, index options, individual stock futures, and individual stock options reinforces the overall attractiveness of this market to foreign and domestic investors; the volume of paperwork is small but it is ver If the promoters sell their shares, the financial institutions must approve the sale.

Most DPs lack the resources to process a large volume of transactions, which causes them to make mistakes. This issue may be avoided, however, if all DOs have access to detailed information about the DPs' underlying infrastructure.

Because the pool account doesn't know who the real owner of the shares is, the broker gets the dividends instead of the real owners, and the real owners stand to lose out if the broker engages in any manipulative or fraudulent behavior.

Therefore, it is preferable to make dividend payments directly to the shareholder.

This mechanism is open to misuse since it allows the holder to lose their shares and be required to wait 21 days for a new batch of issued shares if the broker delivers counterfeit or forged shares.

Shares should be sent to the shareholder as soon as feasible to reduce the number of days they must wait to be issued.

CONCLUSION

Settlement of shares, derivative market, and capital instrumentshas done in whole lot of good for issuer, investor companies, and country as shown by the comprehensive study of capital market instruments at KARVY Connected stock exchange.

The necessity for setting up a depository paper less trading has been alleviated in part because of depository systems, which have sped up the delivery and settlement of securities.

For the sake of efficiency and effectiveness in the capital market, the introduction of an online trading system and settlement was a must.

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