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INVESTORS PERCEPTION REGARDING DEPOSITORY SERVICES**Nancy**

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Abstract: Depository is an organization which holds securities of investors in electronic form. The objectives of depository system are to reduce the time for transfer of securities, to avoid the risk of settlement of securities, to enhance liquidity and efficiency, to reduce cost of transaction for the investor, to create a system for the central handling of all securities, to promote the country's competitiveness by complying with global standards, to provide service infrastructure in a capital market.

In this article, Investigator gave brief overview about depository participants, eligibility criteria for DPs and the legal framework of Depository system in India. In research, investigator has used a structured questionnaire for eliciting the required responses relating to Depository Services from the general public. For the purpose of secondary data books, articles, reports, annual reports of the stock exchanges, news papers and internet has been used.

Keyword: Depository , organization , enhance liquidity , efficiency.

1.INTRODUCTION:

Just like banker keeps money in the accounts, same way depository organization keeps the securities in electronic form. So depository is an organization which holds securities of investors in electronic form. It also provides services related to transactions in securities. A depository interacts with clients through a Depository Participant (DP) which can be financial institution or bank with whom the investor has to open a Demat Account. Through Demat account one can start trading online i.e. buying and selling of securities.

A depository facilitates the capital market with following benefits:

1. Reduction in the time for transfer of securities.
2. Avoid risk & provides efficiency in the system.
3. Easy convertibility into cash.
4. Reduction in cost.
5. Central handling of securities through clearing corporations.

OBJECTIVE OF THE STUDY**Objective of the study is to know about:**

- 1) Investors' perception regarding depository services in India.
- 2) Awareness among people regarding online trading.
- 3) Safety and security in holding demat account.

RESEARCH METHODOLOGY

Research in common vernacular refers to a search for knowledge. One can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation.

Type of research	Descriptive research.
Sampling technique	Simple random sampling.
Sampling size	50
Instrumentation technique	Interview, questionnaire
Sources of data collection	Primary data was collected by conducting interview and through questionnaire. Secondary data was collected from magazines, books, and internet.
Software used for data analysis	MS-excel

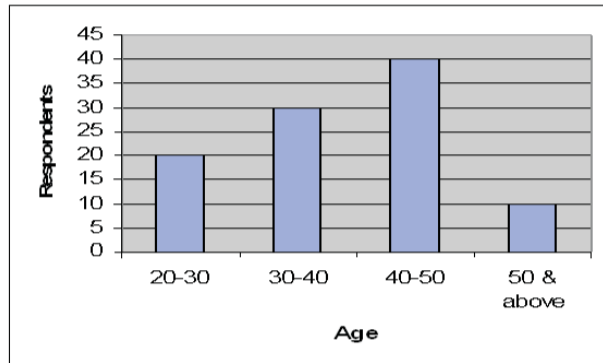
Analysis & Interpretation

Investigator has used a structured questionnaire for eliciting the required responses relating to Depository services. 50 respondents were approached for this purpose, out of which 40 respondents co-operated with me in findings. The various responses have been classified, and tabulated. A simple statistical analysis is made.

Table 1: Table showing the age group of respondents

Age (In years)	Frequency	%
20-30	8	20
30-40	12	30
40-50	16	40
50 & above	4	10
Total	40	100

Graph 1: Graph showing age group of Depository Holders



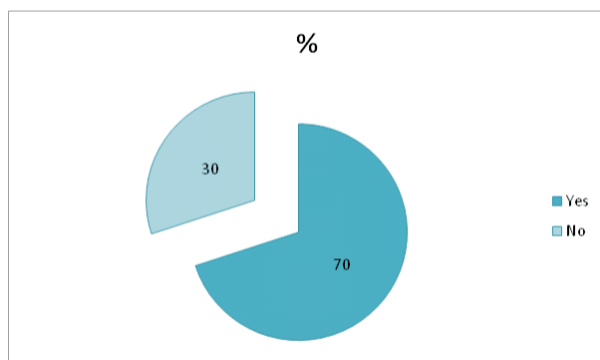
Analysis: From the above table we can see that the normal range of Depository Holders age varies between 20-50 yrs, with the highest 40% falling between 40-50 followed by 30% falling between 30-40 and 20% between the age group 20-30 and the lowest is 50 & above.

Inference: 40% of investors fall in the age group 40-50yrs.

Table 2: Table showing the number of respondents investing in shares directly or indirectly

Particulars	Frequency	%
Yes	28	70
No	12	30
Total	40	100

Graph 2: Graph showing the Number of share holders



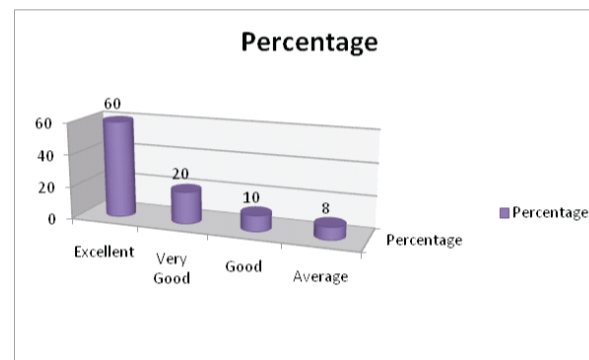
Analysis: From the above Graph it can be analyzed that 70% of the respondents are Stock Holders. Remaining 30% of the respondents are not.

Inference: 70% of the respondents are the stock holders.

Table 3: Table showing the perception of RESPONDENTS in how secure the securities in opting the demat

Particulars	Frequency	Percentage
Excellent	17	60
Very Good	6	20
Good	3	10
Average	2	8
Total	28	100

Graph 3: Graph showing the degree of safety in Demat Account



Analysis: From the above table survey inferred that 60% of the depositories holders are completely satisfied with the safety of demat account.

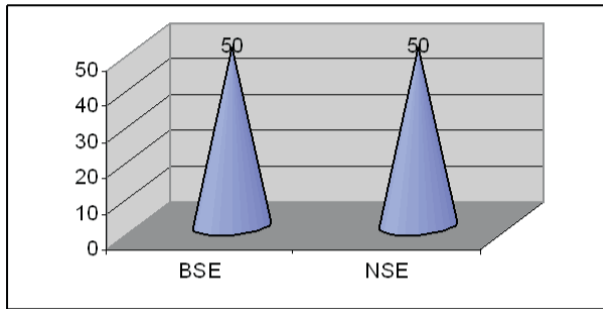
That is the securities of the shareholders in electronic form are more safe and secured.

Inference: Dematerialization plays a major role in providing safety and security to the holders.

Table 4: Table showing the selection of stock exchange by shareholders for trading in securities

Particulars	Frequency	Percentage
NSE	14	50
BSE	14	50
TOTAL	28	100

Graph 4: Graph showing the selection of stock exchange by shareholders for trading in securities



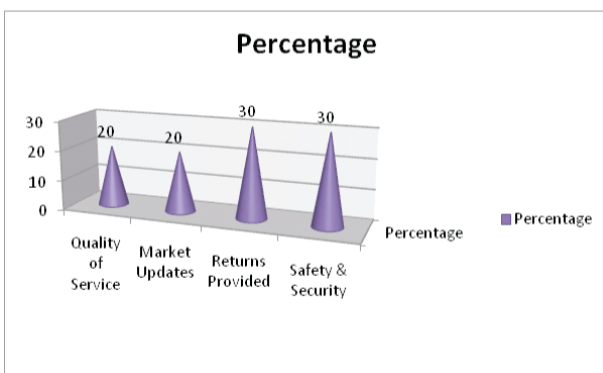
Analysis: From the above survey it is clearly inferred that 50% of the shareholders are using BSE for trading and remaining 50% are trading in NSE.

Inference: Both NSE & BSE are equally preferred for trading purpose.

Table 5: Table showing the attribute of services expected by the investor

Particulars	Frequency	Percentage
Quality of Service	8	20
Market Updates	8	20
Returns Provided	12	30
Safety & Security	12	30
Total	40	100

Graph 5: Graph showing the attribute of services influencing the investors



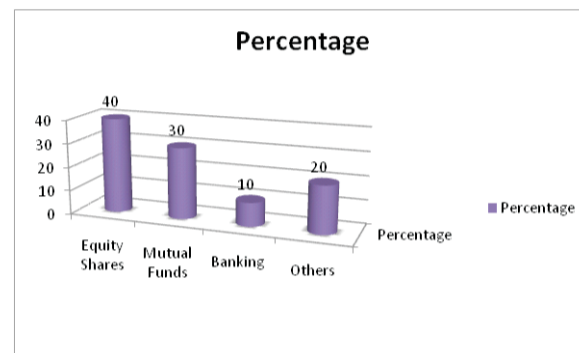
Analysis: From the above graph it can be inferred that 30% of the respondents consider Returns and Safety as equally important attributes followed by other attributes such as 20% each consider Quality of service and Market updates.

Inference: Safety, Security, and Returns constitute the most preferred attributes expected by the investors.

Table 6: Table showing areas of investment that most investors prefer

Particulars	Frequency	Percentage
Equity shares	16	40
Mutual funds	12	30
Banking	4	10
Others	8	20
Total	40	100

Graph6: Graph showing areas of investment that the most investors prefer



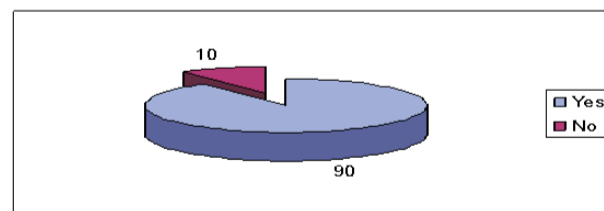
Analysis: Majority (40%) of the investors like to invest in the Equity shares, 30% of them have invested in Mutual funds and 10% consider Banks safe for investments & 20% invest in other options.

Inference: Equity shares are the best options for investment from investors' point of view.

Table 7: Table showing how safe & secure the demat is

Particulars	Frequency	Percentage
Yes	36	90
No	4	10
Total	40	100

Graph 7: Graph showing how safe the demat is



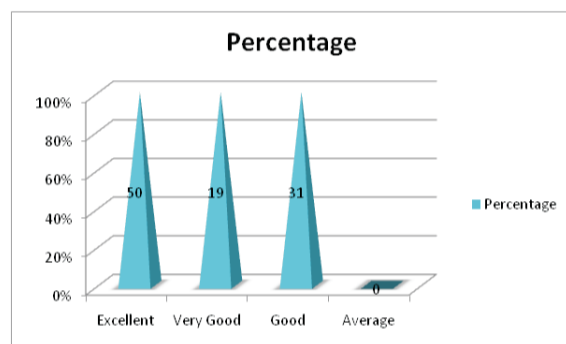
Analysis: From the above it is analyzed that 90% of Depository holders consider the demat is safe & secure, whereas only 10% are unsatisfied.

Inference: Majority of respondents are satisfied with safety of demat.

Table 8: Table showing how satisfactory is the online trading

Particulars	Frequency	Percentage
Excellent	16	50
Very Good	6	19
Good	10	31
Average	0	0
Total	32	100

Graph 8: Graph showing how satisfactory is the online trading



Analysis: From the above graph it can be said that respondents are satisfied with online trading. 50% are very much satisfied and 31% has moderate response
Inference: It is inferred that respondents are very much satisfied with the on-line trading.

FINDINGS

Based on the above data analysis and interpretation, the following findings noted:
 30 % of the respondents, who are not stock holders, are under the age group of 20-30 and 50 and above.
 From the above analysis it is inferred that investors prefer to invest in equity shares and Mutual Funds. It means investors like those funds which have less risk and high returns.
 The survey indicates the trading is equally shared between BSE and NSE.
 The respondents gave equal response to Safety & Security and Returns as attributes of securities.
 Though the Equity shares involve the highest risk, yet investors are willing to take risk by investing in Equity shares for higher returns
 The survey indicates that the investors are satisfied with the safety of demat.

LIMITATIONS OF THE STUDY

Study is conducted in limited area only.
 Probably the time and money constraints can affect my

research.
 Small sample size may create hindrance in the generalisation of the study.

CONCLUSION

In nutshell, from the above study the investigator has found that the most preferred DP product is equity shares and Mutual Funds. It shows that the investors are risk prone and want high returns. This is clear from the fact that 40% of the investors like to invest in equities and 30% in mutual funds.

The best method of spreading information seems to be Internet, which draws the interest of investors better than any other media. The survey also indicates the trading is equally shared between BSE and NSE. Most of the investors are satisfied with safety and security of demat.

Thus there is more scope to invest in the capital market as companies are coming with more new plans to satisfy the different needs of the investors.

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