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A Study on “Demat Account” ICICI Direct

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ABSTRACT: The commencement of E-Trading and Demat has transformed the capital market in India. With the help of Demat and Trading account, buying and selling of shares has become a much faster and even process than trading with the assistance of a physical broker. It provides for the assimilation of bank, broker, stock exchange and depository participants. This helps to get rid of the painstaking procedure of investing in stock exchange. Today, if one wants to invest in stock market, he has to contact a broker on phone or meet him personally to place order. A broker generally gives such importance and additional service only to high net worth customers. But the introduction of Internet trading, even a common or a small investor gets an opportunity to avail the service at an affordable price which is much lesser than what is charged by a physical broker over the phone. Online trading has given customer a real time access to account information, stock quotes elaborated market research and interactive trading. The prerequisites of Internet trading are a computer, a modem and a telephone connection, registration with broker, a bank a/c and depository account. The introduction of depository service is considered as the beginning of the trading of Stocks @ click. This means that you can arrange delivery of scrips sold anytime, anywhere to anyone by click of a mouse. Dematerialization facilitates to keep the securities in electronic form instead of paper form. It offers more advantageous than the physical certificate form. Despite the advantages of Dematerialization, the awareness levels among the investors relating to Demat account is not adequate because of numerous reasons. The investors are not sufficiently responsive of the concept of Demat account and the various financial institutions providing such services. This study involves understanding the various concepts of Demat and analyzing the investment pattern of individuals in India and a study on Analysis of awareness among investors regarding On Line Trading and Dematerialization has been submitted to Pune Institute of Business management, Pune in partial fulfillment of post graduate programme (PGPBM+MBA).

I. INTRODUCTION

DEMAT ACCOUNT

What is Demat Account? Trading in the stock market is very common these days. More and more people are indulging in trading and investing in the stock market. The reason for such increase in the participation in the stock market is the opportunity to make good returns. Thus, the first question that comes to the mind of the beginner in the stock market is how to trade in the stock market. The answer to this question is demat account. To put it another way, Demat Account acts as a means to trade or invest in shares or securities. Without it, no transaction in shares or securities is possible. In this article, you will understand the basic concept of demat account and much more.

Investing in securities is one of the few potential areas where you can invest and grow your money with only a little bit of sensible effort. To do so, you need to know and follow a set of rules and regulations. One of the key components of understanding the stock market and the art and science of investing is by understanding the concept of dematerialization. Technology and digitalization have changed how we work and live. Even money-making activities have changed considerably and we have benefitted from it. Stock exchanges have evolved too and stock trading has moved from physical share certificates and hard copy ledgers to dematerialized (or demat) accounts.

Meaning of Demat Account

Demat account or dematerialized account is an account that holds the shares and securities of an individual in an electronic form. When an individual indulges in trading or investing in shares or securities all the transactions are done through the



Demat account. To put it another way, just like the banks hold the money of the individuals. Similarly, the Demat account holds the shares and securities of the individual in the account. A demat account is opened by the investor at the time of registering with the investment broker or sub-broker. This account is preferred for trading (buying and selling of stocks) to enable electronic settlements. Almost every shareholder must have this account to trade in stocks as required under Securities and Exchange Board of India (SEBI) laws. One cannot trade in stocks without having a legitimate demat account.

II. NEED OF THE STUDY

The need of the study arises because of the reason that a trainee must understand the company, its achievements and tasks, products and services and also to collect information about its competitors, its products and services offered. So that, after understanding and collecting information about the organization and its competitors, a trainee will be able to work well for the organization. From the study I have learned very much, about the company as well as the strategy of the customers, which helps me a lot at my working days.

OBJECTIVES OF THE PROJECT:

- To know the mechanism in the DEMAT.
- To study the activities in Primary Market and Secondary Market in the context of Dematerialization
- To study the activities of Depository Participants
- To study the process of Settlement
- To study the process of DEMAT
- To know the advantages of the DEMAT
- To know the services provided by the Depository Participant.

III. SCOPE OF THE STUDY

The scope of the study is confined to the process of dematerialization of securities and its advantages. The scope of the project is limited to the depository participant services through depositories. It provides a complete knowledge of various fundamental concepts of share market and online trading. It will help in analyzing the behavior of consumers and help in knowing the parameters of investment on which they would like to invest. Through this project I am not only bringing long term clients for my organization but also creating a word of mouth publicity of my organization by offering the best services to the clients so that more and more potential customer will come and stick to my organization.

IV. METHODOLOGY

Research is the process of systematic and in-depth study or search for any particular topic, subject or area of investigation, backed by collection, compilation, presentation and interpretation of relevant details or data. Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically.

Sample size - 100

- Sources of data-Primary data & Secondary
- Sampling used in data collection - Random sampling

Primary Data: The required data was collected by way of distribution of questionnaires to investors at random and by way of telephonic interviews and online distribution of questionnaire.

Tools/Technique of data collection -

- (i) Personal Interview
- (ii) Close observation
- (iii) Survey conduction

Secondary data: - already existing data is called secondary data. I collected them by following method –



- Internet
- Books
- Area selected for data collection-HYDERABAD

LIMITATIONS

- To Study the Entire Depository Participant's Implications Elating To The Pattern Of Trading May Have Been Missed In The Study.
- The study is confined to only depository participants services through Depositories
- NSDL. Exhaustive analysis, problems of listing and management of trade and SEBI guidelines of relating there lot are not covered due to limited & keep the study in manageable limits

V. LITERATURE REVIEW

Bhatt & Bhatt (2012) in their paper entitled “Financial Performance Evaluation of depositories in India (A comparative study of NSDL & CDSL)” explores the fact that the trend of automation especially, Dematerialization, has enabled the Indian capital market to take the world center stage & scale to unprecedented heights. Securities market in India has grown exponentially. The analysis of the progress of NSDL & CDSL in economic terms clearly reveals that both the depositories have shown a remarkable progress in terms of DEMAT accounts; DEMAT value & quantity, Settlement value and quantity and the number of depository participants. Their study reveals that both the depositories have been working financially smoothly over a period of last six financial years.

Chaudhary & Malik (2011) in their paper “Depository system in India: An appraisal” states that majority of the participants are resided with NSDL with stake of 55 percent. Thus, it acts as the primary organization with the majority of participants in the system. Further the paper analysis concludes that the respondents have no clear & crisp idea regarding the services offered by the DPs to their clients. In order to overcome geographical & time barriers formal & informal communication need to be developed. The majority of respondents were comfortable with the prevailing fee structure of depository which shows the existing fee structure followed by NSDL is benevolent.

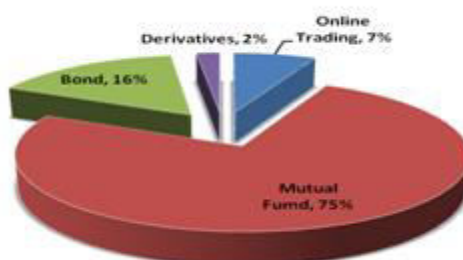
George (1996) in his article “Towards a paperless settlement system” explains about the role of the NSDL in revolutionizing the paperless stock settlement system in the country. He has examined steps taken by the depository to ensure that the scripless trading system is a success. He has also stressed the importance of the role of regulatory body in making the depository system successful.

Jeyanthi (2007) in his research work “A study on National Stock Exchange of India Limited” has highlighted that the NSE has created a niche for itself not only in the national arena but also in the international market with the adaptation of required structural changes. Therefore there is no doubt that NSE will be an attractive destination for the national & international investors to park their funds in the years to come.

V. DATA ANALYSIS AND INTERPRETATION

Q1. In which of these Financial Instruments do you invest into?

Financial Instrument	Percentage of respondent
Mutual Fund	75%
Bond	16%
Online trading	7%
Derivative	2%



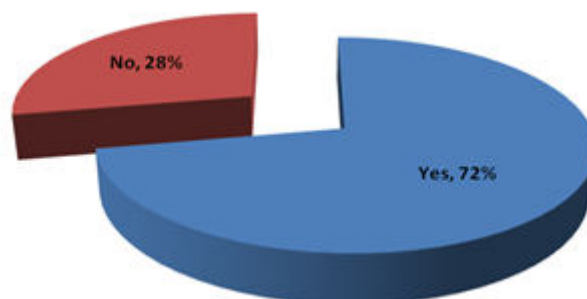
Result of Preference of Investment

INTERPRETATION:

This shows that although the mutual funds market is on the rise yet, the most favored investment continues to be in the Share Market. So, with a more transparent system, investment in the Stock Market can definitely be increased

Q2. Are you aware of online Share trading?

Aware of online share trading	Percentage of respondent
Yes	72%
No	28%



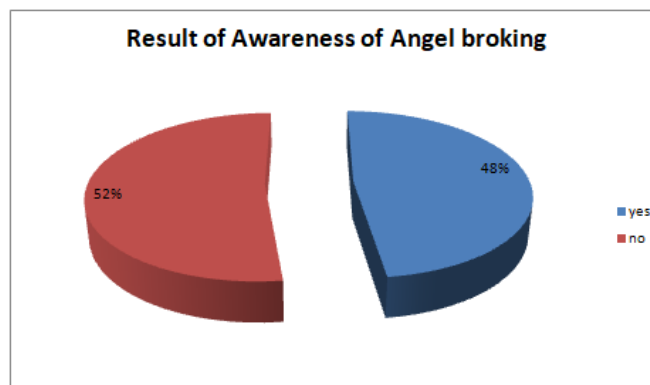
Result of awareness of online trading

Interpretation:

With the increase in cyber education, the awareness towards online share trading has increased by leaps and bounds. This awareness is expected to increase further with the increase in Internet education.

Q3. Heard about Angel Broking?

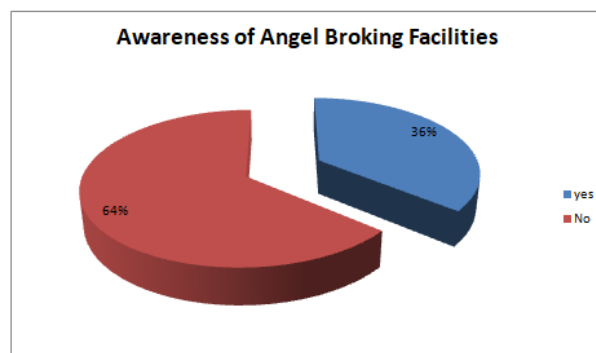
Awareness of Angel Broking	Percentage of respondent
Yes	48%
No	52%

**Interpretation:**

This pie-chart shows that reliance money has a reasonable amount of Brand awareness in terms of a premier Retail stock broking company. This brand image should be further leveraged by the company to increase its market share over its competitors.

Q4. Do you know about the facilities provided by Angel Broking?

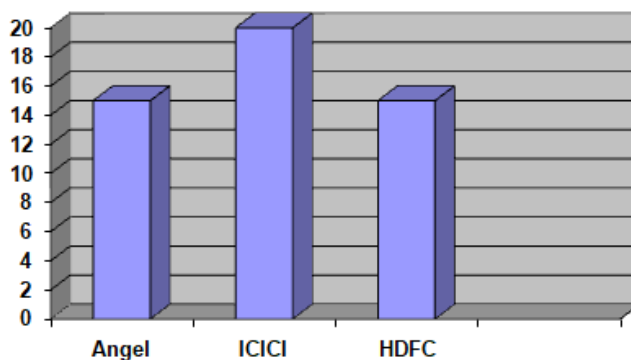
Awareness of Angel Broking services	Percentage of respondent
Yes	36%
No	64%

**Interpretation:**

Although there is sufficiently high brand equity among the target audience yet, it is to be noted that the customers are not aware of the facilities provided by the company meaning thereby, that, the company should concentrate more towards promotional tools and increase its focus on product awareness rather than brand awareness.

Q .5 which bank is easily available everywhere?

Company Name	Percentage of respondent
Angel	15
ICICI	20
HDFC	15

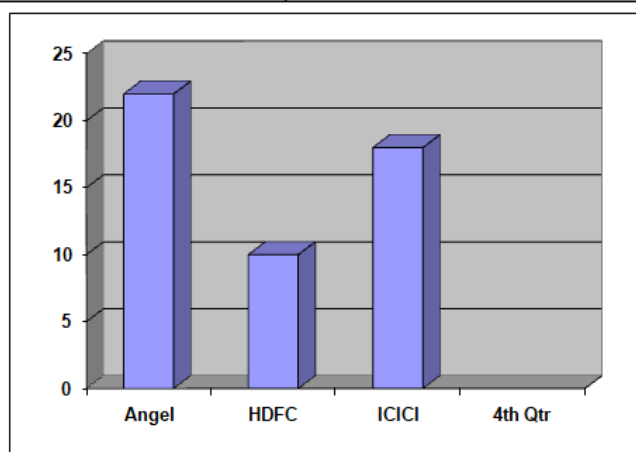


Interpretation:-

30% have respondent of Angel Broking Ltd, 30% have respondent of HDFC, 40% have respondent of ICICI.

Q.6 Which banking Demat account offered you a large no. of services?

Company Name	Percentage of respondent
Angel Broking	22
HDFC	10
ICICI	18



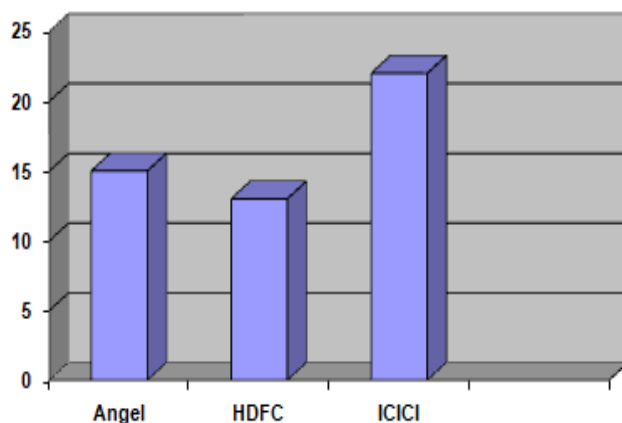
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INTERPRETATION:

44% have respondent of Angel Broking Ltd, 20% have respondent of HDFC, 36% have respondent of ICICI.

Q.7 Which bank provide you a better email facility?

Company Name	Percentage of respondent
Angel Broking	15
HDFC	13
ICICI	22

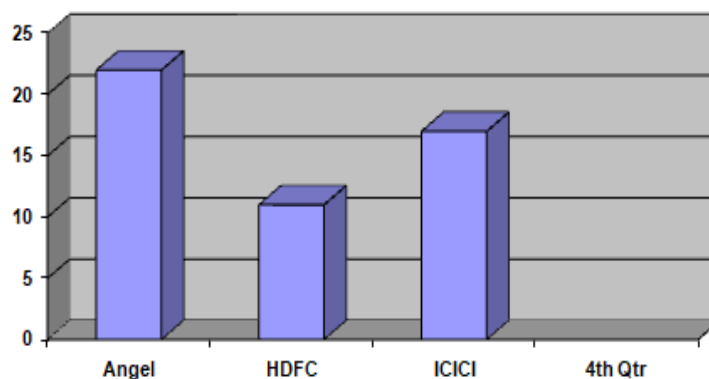


INTERPRETATION:

30% have respondent of Angel Broking Ltd., 26% have respondent of HDFC, 44% have respondent of ICICI.

Q.8 Which company provide a less BROKARAGE rate ?

Company Name	Percentage of respondent
Angel Broking	22
HDFC	11
ICICI	17

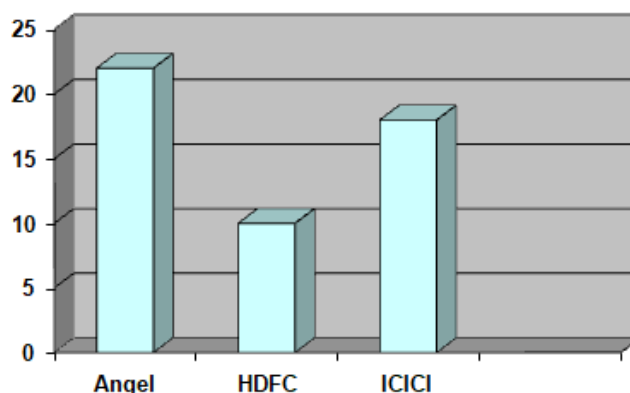


INTERPRTEATION:

44% have respondent of Angel broking ltd., 22% have respondent of HDFC, 34% have respondent of ICICI.

Q. 9which company provide you a large number of product and services?

Company Name	Percentage of respondent
Angel Broking	22
HDFC	10
ICICI	18



INTERPRETATION:-

44% have respondent of Angel Broking Ltd., 20% have respondent of HDFC, 36% have respondent of ICICI.

FINDINGS

To study the sales and distribution management and improve the Customer Acquisition Process by analyzing the consumer behavior, response and mindset towards the product and services the company offers.

1. Preference of Investment:

Consumers want to invest 75% in Mutual funds, 16% in Bonds, 7% in online trading and 2% in Derivatives.

2. Awareness on Online Share Trading

72% consumers are aware of online share trading and 28% consumers are not aware of online share trading.

3. Awareness of Angel Broking

48% consumers are know about Angel Broking and 52% consumers are not know about Angel Broking.

4. Awareness about facilities provided by Angel Broking:

36% consumers are aware about the facilities provided by Angel Broking and 64% consumers are not know about the facilities provided by Angel Broking.

5. Availability of Bank

30% have respondent of Angel Broking Ltd, 30% have respondent of HDFC, 40% have respondent of ICICI.

6. Which banking Demat account offered you a large no. of services?

4% have respondent of Angel Broking Ltd., 20% have respondent of HDFC, 36% have respondent of ICICI.

7. Better email facility provided by bank

30% have respondent of Angel Broking Ltd., 26% have respondent of HDFC, 44% have respondent of ICICI.

8. Provide a less BROKARAGE rate

44% have respondent of Angel Broking Ltd., 22% have respondent of HDFC, 34% have respondent of ICICI.

9. Provide a large no. of Products and services

44% have respondent of Angel Broking Ltd., 20% have respondent of HDFC, 36% have respondent of ICICI.

SUGGESTION

1. The Brand image of Angel Broking Ltd. is good in market but according to customer satisfaction the company has to provide the better service. And also change the Market strategy.
2. They should focus on print and electronic media advertisements to make more people aware about them.
3. They should provide proper guidance to their customers about demat.
4. They should provide should offers and facilities to their customers to increase their attractiveness about demat.
5. For opening an account they require lots of signatures in a kit, which should be reduced.



VI. CONCLUSION

To get initial success in this field is very difficult. Although the business generation becomes easier with time as we serve more people who then get added up in the loyal clientage. Thus time and service are two most factors to get in this field.

- Also the corporate remains a very important segment which gets business in bulk but retail cannot be ignored which makes your business ticking.
- Customer remains in the pivotal position.
 - Angel Demat Account is better than other Demat account. Angel Broking Ltd. have good return of investment. A good brand is always welcomed over here people are aware of quality so they go for ready to spend bucks of money.
 - At last all conclusion be concluded by that Angel Broking Ltd. is still growing industry in India
 - Angel Broking Ltd. account have less brokerage rate .
 - It provide a security with the use of special type of key .

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