

PERFORMANCE EVALUATION OF DEPOSITORY INSTITUTIONS IN INDIA

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ABSTRACT

'Depository' is an institution which holds the securities such as shares, government bonds, mutual funds etc on behalf of shareholders in a dematerialized form through depository participants (DPs). A Depository Participant acts as an intermediary or an agent between the customers and the depositories. The depository participants play a very significant role in the smooth functioning of the Indian capital market. One of the main objectives of the depository is to reduce the paperwork by converting the securities in electronic form and it transfers the shares from one account to another whenever there is any transaction of shares takes place. In India there are two depository institutions, namely, NSDL (National Security Depository limited) and CDSL (Central Depository Services Limited). The current research paper is focused on a comparative study of the two depositories i.e. NSDL and CDSL in terms of performance, total income, total asset, growth, demand custody (value) for a period of 5 years starting from 2011-12 to 2015-16. The data used for analysis are collected from the annual reports of the depositories. The ratios have been used to compare the performance of the Depositories. The paper also discusses the volume and value of dematerialization of securities, growth of centers/ beneficiary accounts.

KEYWORDS: NSDL, CDSL, DP, Depository, AGR