



EFFECTIVENESS OF SEBI IN PROTECTING THE INVESTORS-A STUDY OF INVESTORS IN CHENNAI CITY

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ABSTRACT

The study has made an attempt to the effectiveness of SEBI in protecting the investors. The Primary function of Securities and Exchange Board of India. (SEBI) Act, 1992 is the protection of the investors' interest and the healthy development of Indian capital markets. No doubt, it is very difficult and herculean task for the regulators to prevent the scams in the markets considering the great difficulty in regulating and monitoring each and every segment of the capital markets and the same is true for the Indian regulator also. But what are the responsibilities of the regulators to set the system right once the scam has taken place, especially the responsibility of redressing the grievances of the investors. So, that their confidence is restored. The redressal of investors' grievances, after the scam, is the most challenging task before the regulators all over the world and the Indian regulator is not an exception. Measures taken by SEBI authorities provide adequate protection for investors (Mean = 3.76). Effectiveness of present redressal system relating to share trading, government employees and professionals with neutral opinion differ significantly from other occupational groups who have expressed their agreement (F value = 2.80, $p < 0.05$). SEBI authorities' receptive to retail investors' complaints (F value = 3.58, $p < 0.05$) among respondent groups with difference number of earning members in families.

KEYWORDS : SEBI, Investors Protection, Investors grievances, Ttransparency and Safety

INTRODUCTION

The past few years in many ways have been remarkable for securities market in India. It has grown exponentially as measured in terms of amount raised from the market, number of stock exchanges and other intermediaries, the number of listed stocks, market capitalization, trading volumes and turnover on stock exchanges, and investor population. Along with this growth, the profiles of the investors, issuers and intermediaries have changed significantly. The market has witnessed fundamental institutional changes resulting in drastic reduction in transaction costs and significant improvements in efficiency, transparency and safety. A debate has been on over the need for a separate legislation for protecting the interests of small investors, considering that there are multiple agencies involved in policing companies that raise funds from the public be it public listed companies, or NBFCs (Non Banking Financial Companies). These include the capital markets regulator, SEBI, the banking regulator, RBI, and the Department of Company Affairs (DCA) which is responsible for regulating unlisted companies. SEBI has been in favour of a separate regulatory agency for the protection of small investors.

STATEMENT OF THE PROBLEM

Investors should have proper knowledge and understanding of the various problems arises in their dealings and also about how they can be resolved. It is observed that those who are investing in the capital market have diverse demographic profile and there could be possible association between their various demographic profiles and the occurrence of their grievances as well as their awareness about the functions of the grievances redressal agencies. Hence the present's research is carried out to address various issues related to grievances of the investors while making investments in the capital market and effectiveness of SEBI in redressing their grievances.

NEED FOR THE STUDY

In that there is need for periodical analysis of the effectiveness of regulatory measures taken by SEBI to protect investors. More over most of the studies have focused on the nature and extent of problems faced by the investors. The effectiveness of complaint redressal system initiated by the SEBI is not studied to the desired extent. In a situation bound with uncertainly there are always higher chances of manipulations in market and investors need to be careful and aware of regulatory actions towards protecting their rights. Hence, there is a clear need to undertake an empirical study to examine the effectiveness of protection towards stock market investors.

SCOPE OF THE STUDY

This study was mainly planned to evaluate the performance of SEBI, relating to redressal of grievances and action taken towards the pending grievances based on the opinion of the investors in the Chennai metropolitan city, capital of Tamil Nadu

OBJECTIVES OF THE STUDY

- 1) To assess how SEBI redresses the grievances of investors in the study area
- 2) To study the role of SEBI in curbing the insider trading practices
- 3) To assess the effectiveness of SEBI in protecting the investors in Chennai City

HYPOTHESIS

H01 The investors' perception of SEBI effectiveness in grievance redressal does not differ by difference in their socio-economic status.

RESEARCH METHODOLOGY

These study has both analytical and descriptive type of methodology. The study mainly based on both primary and secondary data. The primary data collected from stock market investors in Chennai metropolitan, capital of Tamil Nadu. The secondary data collected from publications, books, articles in journals and websites. For collecting data from population of stock market investors, a well structured questionnaire instrument is used. The statistical techniques from descriptive to multivariate are used to analyze the data such as Frequency Distribution Analysis, Descriptive statistics, Cross tabulation analysis with Chi-square test, t-test / One way ANOVA, Canonical Correlation Analysis.

Sampling Technique

The researcher has conducted a survey among 500 investors of share market. For the survey the respondents are selected using simple random sampling technique from the said population in the study area. The sample size is selected using following formula as suggested by Osisioma et al. (1974).

$$n = \frac{Z^2 \omega^2}{4e^2}$$

In the formula, n is sample size, Z is a value corresponding to a given confidence level (Z value is 1.96 for confidence interval, simply CI, of 95% and 2.57 for CI of 99%). The sampling error 'e' is in proportion, varying between 0.04 and 0.05 (i.e., maximum allowance of error in

sampling is from 4% to 5%). As sample size is 384 for error level of 5 per cent and 600 for error of 4 per cent, the sample size for the presented study is fixed at 500, which is between 400 (384 rounded to nearest 100) and 600.

RESULTES AND DISCUSSION

Table 1 Demographic Profile of the Sample Respondents

Demographic Characteristics	Number of Respondents	% to Total
Sex		
Male	336	67.2
Female	164	32.8
Age		
<= 35	132	26.4
36 – 50	256	51.2
> 50	112	22.4
Location		
Rural	139	27.8
Semi-urban	115	23.0
Urban	246	49.2
Education		
Secondary	101	20.2
Degree / Diploma	120	24.0
PG	128	25.6
Professional	151	30.2
Occupation		
Self-Employed/Business	159	31.8
Private Sector	84	16.8
Public Sector	81	16.2
Government	79	15.8
Professional	62	12.4
Retired & Pensioner	35	7.0
Family Size		
Up to 3	178	35.6
4 – 5	246	49.2
> 5	76	15.2
Earning Members		
Only one	270	54.0
Two	122	24.4
Above Two	108	21.6
Family Income (Monthly)		
Up to Rs.25000	86	17.2
Rs.2 5001-50000	230	46.0
Rs.50001-7000	109	21.8
> Rs.75000	75	15.0
Total Sample	500	100.0

Source: Primary data

When distributed by location, it is understood that 49.2 per cent of the investors are the residence of urban areas whereas rural and semi-urban resident group constitute 27.8 per cent and 23.0 per cent respectively. As far as the education of the investors is concerned, professionally educated group leads with 30.2 per cent followed by post-graduates with 25.6 per cent, degree / diploma holders with 24.0 per cent and secondary educated with 20.2 per cent of the total sample.

Majority of investors (31.8%) are found to be either self-employed or business men. However, employees of all sectors are combined; dominance of salaried group is identified in the investors sample. The number of respondents employed in private sector, public sector and government departments is 16.8 per cent, 16.2 per cent and 15.8 per cent respectively. Next to this, professionals comprise 12.4 per cent and retired persons / pensioners comprise 7.0 per cent.

More number of investors is found to be from medium size family,

i.e., families with number of members between 4 and 5 (49.2%). The number of investors from small (up to 3 members) is 35.6 per cent and large (above 5 members) size families are 15.2 per cent. There is only one earning member in 54.0 per cent of the investors in the sample. The number of earning members is two in 24.4 per cent and more than two in 21.6 per cent of the total investors in the sample.

The income is between Rs.25000 and Rs.50000 in 46.0 per cent of the respondent families. That is, majority of the investors belong to middle income group. Those from low income families (Up to Rs.25000) constitute just 17.2 per cent. At the same time, the family income is between Rs.50000 and Rs.70000 in 21.8 per cent and above Rs.75000 in 15.0 per cent of the investor respondent families.

In sum, it is found that majority of the investors are male, most of them are aged between 36-50 years and residing in urban areas. The professionally educated investor group are found to be more followed by post graduates and graduates. The investors with salaried employment are dominant and self-employed / business group comes only next to the above group. Those from medium size families involved in making investment in capital market are higher compared to that of those from small and large size families. There is only one earning members in more than 50 per cent of the families of investors in capital market. The income is above Rs.25000 in majority of the investor families.

Table 2 Investors' Perception of Effectiveness of SEBI

Statements Measuring Effectiveness	Usage Extent					Mean [SD]
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
Rules & regulations of SEBI are comprehensive & effective	48 (9.6)	144 (28.8)	96 (19.2)	114 (22.8)	98 (19.6)	3.14 [1.29]
SEBI has better control of intermediaries	75 (15.0)	105 (21.0)	105 (21.0)	122 (24.4)	93 (18.6)	3.11 [1.34]
Frauds in the market are minimized to large extent by SEBI	183 (36.6)	176 (35.2)	94 (18.8)	34 (6.8)	13 (2.6)	2.04 [1.03]
SEBI is effective regulator of market	71 (14.2)	114 (22.8)	119 (23.8)	114 (22.8)	82 (16.4)	3.04 [1.30]
SEBI is effective in controlling price rigging anomalies	94 (18.8)	102 (20.4)	118 (23.6)	111 (22.2)	75 (15.0)	2.94 [1.33]
SEBI is effective in controlling insider trading	103 (20.6)	122 (24.4)	102 (20.4)	101 (20.2)	72 (14.4)	2.83 [1.35]
Various guidelines of SEBI enhance investors' confidence	81 (16.2)	96 (19.2)	114 (22.8)	124 (24.8)	85 (17.0)	3.07 [1.33]
Disclosure norms and redressal forums of SEBI provide better investors' protection	44 (8.8)	68 (13.6)	113 (22.6)	189 (37.8)	86 (17.2)	3.41 [1.18]
Present grievance redressal system relating to share trading is better	23 (4.6)	43 (8.6)	148 (29.6)	153 (30.6)	133 (26.6)	3.66 [1.10]
SEBI authorities are receptive to retail investors' complaints	92 (18.4)	104 (20.8)	84 (16.8)	125 (25.0)	95 (19.0)	3.05 [1.40]

Time taken by SEBI for the redressal of complaint is satisfactory	113	108	86	85	108	2.93
	(22.6)	(21.6)	(17.2)	(17.0)	(21.6)	[1.47]
Measures taken by SEBI authorities provide adequate protection for investors	19	55	162	153	111	3.56
	(3.8)	(11.0)	(32.4)	(30.6)	(22.2)	[1.07]

Source: Primary data, Figures in parenthesis are percentages to row total; Figures in square brackets are standard deviation

It can be observed from the table 2 that more number of respondents have strongly disagreed (36.6%) and disagreed (35.2%) with "Frauds in the market are minimized to large extent by SEBI" and they have scored 2.04 on the average against this statement. This clearly envisages that SEBI is not effective in minimizing the frauds in the market. On the other hand, 57.2 per cent (30.6% with agree and 26.6% with strongly agree) have expressed their agreement and 29.6 per cent as neutral and scoring 3.66 on the average, which is in agree range with regard to "SEBI's present grievance redressal mechanism relating to share trading is better". Similarly, 30.6 per cent and 22.2 per cent of the respondents have agreed and strongly agreed with "Measures taken by SEBI authorities provide adequate protection for investors" respectively.

The neutral opinion is expressed by 32.4 per cent of the respondents with the above and scored in agree range (Mean=3.56) on the average. Except these statements, most of the respondents' opinion varies from neutral opinion to strongly agree opinion. The mean scores obtained by the entire sample is 3.14 for "Rules & regulations of SEBI are comprehensive & effective", 3.11 for "SEBI has better control of intermediaries", 3.04 for "SEBI is effective regulator of market", 2.94 for "SEBI is effective in controlling price rigging anomalies", 2.83 for "SEBI is effective in controlling insider trading", 3.07 for "Various guidelines of SEBI enhance investors' confidence", 3.41 for "Disclosure norms and redressal forums of SEBI provide better investors' protection", 3.05 for "SEBI authorities are receptive to retail investors' complaints" and 2.93 for "Time taken by SEBI for the redressal of complaint is satisfactory" are all in neutral range. Further, from the ordering the statements based on the mean scores, it is concluded that SEBI is highly effective in grievance redressal relating to share trading and providing adequate protection for investors. The SEBI is effective with regard to disclosure norms and redressal forums in order to provide better investors' protection. It is further concluded that the SEBI is ineffective in minimizing frauds in the market whereas it is moderately effective in framing comprehensive rules and regulations, control of intermediaries, regulating the market, controlling price rigging anomalies, controlling insider trading, framing various guidelines to enhance investors' confidence, authorities' receptive to retail investors' complaints and time taken to redressal the complaint.

Table 3 Effectiveness of SEBI – Comparison of Investors' Perception by Gender

Statements Measuring Effectiveness	Gender		t- Value	p Value
	Male	Female		
Rules & regulations of SEBI are comprehensive & effective	3.11 (1.30)	3.21 (1.28)	0.81	0.4160
SEBI has better control of intermediaries	3.20 (1.33)	2.91 (1.34)	2.24*	0.0253
Frauds in the market are minimized to large extent by SEBI	1.94 (1.00)	2.23 (1.07)	2.99**	0.0029
SEBI is effective regulator of market	3.16 (1.29)	2.80 (1.29)	2.98**	0.0030
SEBI is effective in controlling price rigging anomalies	2.81 (1.35)	3.22 (1.26)	3.28**	0.0011

SEBI is effective in controlling insider trading	2.68 (1.31)	3.14 (1.39)	3.59**	0.0004
Various guidelines of SEBI enhance investors' confidence	3.23 (1.32)	2.75 (1.29)	3.84**	0.0001
Disclosure norms and redressal forums of SEBI provide better investors' protection	3.27 (1.16)	3.70 (1.17)	3.83**	0.0001
Present grievance redressal system relating to share trading is better	3.55 (1.05)	3.89 (1.16)	3.31**	0.0010
SEBI authorities are receptive to retail investors' complaints	3.18 (1.39)	2.79 (1.38)	3.01**	0.0027
Time taken by SEBI for the redressal of complaint is satisfactory	2.85 (1.45)	3.10 (1.50)	1.74	0.0817
Measures taken by SEBI authorities provide adequate protection for investors	3.47 (1.09)	3.76 (1.00)	2.83	0.0048

Source: Primary data, Figures in square brackets are standard deviations

*Significant at 5% level; **Significant at 1% level

It is seen from the table 3 shows that the female respondents have scored in agree level with "SEBI's present grievance redressal mechanism relating to share trading is better" (Mean = 3.70), "SEBI's present grievance redressal mechanism relating to share trading is better" (Mean = 3.89) and .The t-values for the difference in mean scores are significant in respect of all statements except for "Rules & regulations of SEBI are comprehensive & effective" and "Time taken by SEBI for the redressal of complaint is satisfactory". In sum, it is found that perceived level of effectiveness of SEBI in protecting the investors differ between male and female investors.

Table 4 Effectiveness of SEBI – Comparison of Investors' Perception by Educational Levels

Statements Measuring Effectiveness	Educational Levels				F- Value	p Value
	Seco ndary	Degre e / Diplo ma	PG	Profes sional		
Rules & regulations of SEBI are comprehensive & effective	3.20 (1.28)	3.35 (1.25)	3.20 (1.29)	2.89 (1.30)	3.17*	0.0241
SEBI has better control of intermediaries	3.00 (1.37)	3.08 (1.30)	3.16 (1.32)	3.16 (1.36)	0.37	0.7745
Frauds in the market are minimized to large extent by SEBI	2.14 (1.09)	2.20 (1.07)	2.15 (1.02)	1.74 (0.91)	6.15**	0.0004
SEBI is effective regulator of market	2.68 (1.32)	2.98 (1.29)	3.22 (1.24)	3.19 (1.30)	4.15**	0.0064
SEBI is effective in controlling price rigging anomalies	3.17 (1.30)	3.12 (1.41)	2.86 (1.28)	2.72 (1.30)	3.23*	0.0221
SEBI is effective in controlling insider trading	2.80 (1.41)	2.84 (1.30)	2.77 (1.30)	2.90 (1.40)	0.23	0.8770
Various guidelines of SEBI enhance investors' confidence	3.13 (1.17)	3.08 (1.35)	3.01 (1.41)	3.09 (1.35)	0.17	0.9194
Disclosure norms and redressal forums of SEBI provide better investors' protection	3.75 (1.12)	3.27 (1.14)	3.25 (1.17)	3.43 (1.21)	4.32**	0.0051

Present grievance redressal system relating to share trading is better	3.69	3.69	3.70	3.58	0.42	0.7379
	(1.12)	(1.07)	(1.10)	(1.11)		
SEBI authorities are receptive to retail investors' complaints	3.11	3.10	3.09	2.95	0.38	0.7708
	(1.47)	(1.32)	(1.43)	(1.39)		
Time taken by SEBI for the redressal of complaint is satisfactory	2.70	3.03	2.77	3.16	2.76*	0.0416
	(1.50)	(1.44)	(1.43)	(1.47)		
Measures taken by SEBI authorities provide adequate protection for investors	3.50	3.68	3.52	3.55	0.71	0.5467
	(1.07)	(1.02)	(1.08)	(1.09)		

Source: Primary data, Figures in square brackets are standard deviations

*Significant at 5% level; **Significant at 1% level

From the observation of the table 4 shows that the SEBI's effectiveness in minimizing the frauds in the market, the respondents have disagreed but there is significant difference in the level of disagreement with difference in educational levels (F value = 6.15, p < 0.01). At the same time, the respondents have agreed with SEBI's effectiveness in grievance redressal system relating to share trading and with its effectiveness in taking adequate measures to protect investors (Mean values are > 3.50) at similar extent. In sum, it is found that the education of the respondents has significant role in determining the SEBI's effectiveness in protecting the investors.

Table 5 Effectiveness of SEBI – Comparison of Investors' Perception by Occupational Status

Statements Measuring Effectiveness	Occupational Status						F-Value	p Value
	SE / Business	Private	Public	Government	Professional	Retired / Pensioner		
Rules & regulations of SEBI are comprehensive & effective	3.11 (1.34)	3.23 (1.32)	3.53 (1.19)	2.78 (1.28)	2.89 (1.20)	3.40 (1.17)	3.62*	0.0032
SEBI has better control of intermediaries	3.16 (1.26)	3.08 (1.42)	3.12 (1.34)	2.92 (1.45)	3.26 (1.38)	3.00 (1.21)	0.56	0.7306
Frauds in the market are minimized to large extent by SEBI	1.94 (0.90)	2.11 (0.99)	2.10 (1.06)	2.00 (1.20)	2.13 (1.12)	2.09 (1.04)	0.57	0.7247
SEBI is effective regulator of market	3.18 (1.34)	2.77 (1.31)	3.01 (1.25)	2.96 (1.29)	3.44 (1.21)	2.63 (1.14)	3.08*	0.0096
SEBI is effective in controlling price rigging anomalies	2.88 (1.38)	2.90 (1.43)	2.93 (1.24)	2.96 (1.26)	3.03 (1.40)	3.14 (1.22)	0.30	0.9127
SEBI is effective in controlling insider trading	2.62 (1.30)	3.00 (1.34)	3.15 (1.36)	2.87 (1.42)	2.58 (1.25)	3.03 (1.44)	2.55*	0.0274
Various guidelines of SEBI enhance investors' confidence	2.94 (1.41)	3.14 (1.22)	3.12 (1.33)	3.10 (1.23)	3.23 (1.38)	3.03 (1.38)	0.55	0.7395

Disclosure norms and redressal forums of SEBI provide better investors' protection	3.43 (1.14)	3.51 (1.19)	3.69 (0.96)	3.13 (1.32)	3.42 (1.17)	3.06 (1.30)	2.64*	0.0227
Present grievance redressal system relating to share trading is better	3.71 (1.06)	3.69 (1.08)	3.98 (0.97)	3.43 (1.19)	3.42 (1.12)	3.57 (1.17)	2.80*	0.0168
SEBI authorities are receptive to retail investors' complaints	3.36 (1.27)	2.81 (1.44)	2.91 (1.38)	2.70 (1.31)	3.19 (1.48)	3.14 (1.67)	3.45*	0.0044
Time taken by SEBI for the redressal of complaint is satisfactory	2.86 (1.40)	3.12 (1.45)	2.74 (1.52)	2.89 (1.56)	3.11 (1.40)	3.06 (1.57)	0.87	0.4979
Measures taken by SEBI authorities provide adequate protection for investors	3.60 (1.09)	3.36 (1.03)	3.38 (1.11)	3.62 (1.11)	3.68 (0.94)	3.97 (0.98)	2.38*	0.0379

Source: Primary data Figures in square brackets are standard deviations

*Significant at 5% level; **Significant at 1% level

From the table 5 shows that the respondents with employment in private (Mean = 3.51) and public (Mean = 3.69) sector organizations have agreed and differ from other occupation groups who have neutral opinion in respect of disclosure norms and redressal forums of SEBI to provide better investors' protection (F value = 2.64, p < 0.05).

Similarly, the respondents employed in private and public sector organization with neutral opinion differ significantly from other occupational groups who have agreed with measured taken by SEBI authorities to provide adequate protection for investors (F value = 2.38, p < 0.05). In sum, it is found that the respondents' occupational status is an important factor in influencing their perception about effectiveness of SEBI in protecting the investors.

Table 6 Effectiveness of SEBI – Comparison of Investors' Perception by Earning Members

Statements Measuring Effectiveness	Earning Members			F-Value	p Value
	Only One	2	> 2		
Rules & regulations of SEBI are comprehensive & effective	3.08 (1.27)	3.09 (1.35)	3.34 (1.27)	1.70	0.1834
SEBI has better control of intermediaries	3.09 (1.31)	2.92 (1.36)	3.36 (1.36)	3.22*	0.0409
Frauds in the market are minimized to large extent by SEBI	2.11 (1.03)	2.11 (1.13)	1.77 (0.86)	4.72**	0.0093
SEBI is effective regulator of market	3.20 (1.27)	2.91 (1.28)	2.81 (1.35)	4.26*	0.0147
SEBI is effective in controlling price rigging anomalies	2.86 (1.32)	2.86 (1.37)	3.25 (1.29)	3.72*	0.0250
SEBI is effective in controlling insider trading	2.70 (1.33)	3.16 (1.33)	2.81 (1.37)	5.16**	0.0061

Various guidelines of SEBI enhance investors' confidence	3.28 (1.30)	2.84 (1.34)	2.81 (1.31)	7.23**	0.0008
Disclosure norms and redressal forums of SEBI provide better investors' protection	3.39 (1.18)	3.45 (1.19)	3.42 (1.18)	0.12	0.8889
Present grievance redressal system relating to share trading is better	3.65 (1.09)	3.60 (1.17)	3.75 (1.03)	0.56	0.5710
SEBI authorities are receptive to retail investors' complaints	3.14 (1.37)	2.76 (1.40)	3.18 (1.44)	3.58*	0.0286
Time taken by SEBI for the redressal of complaint is satisfactory	2.98 (1.44)	2.75 (1.50)	3.03 (1.49)	1.26	0.2850
Measures taken by SEBI authorities provide adequate protection for investors	3.58 (1.10)	3.57 (0.97)	3.53 (1.09)	0.08	0.9190

Source: Primary data Figures in square brackets are standard deviations

*Significant at 5% level; **Significant at 1% level

As per the table 6, Similarly, the respondents' have expressed their agreement and extent of agreement does not differ by earning members regarding "present grievance redressal system relating to share trading" (mean values vary from 3.60 to 3.75) and "measures taken by SEBI authorities to provide adequate protection for investors" (mean values vary from 3.53 to 3.58). On the other hand, there is significant difference in the perceived level of SEBI's effectiveness in controlling intermediaries (F value = 3.22, $p < 0.05$), minimizing the frauds in the market (F value = 4.72, $p < 0.01$), regulating the market (F value = 4.26, $p < 0.05$), controlling price rigging anomalies (F value = 3.72, $p < 0.01$), controlling insider trading (F value = 5.16, $p < 0.01$), guidelines to enhance investors' confidence (F value = 7.23, $p < 0.01$) On the whole, it is found that the number of earnings members in the families of investors influence their perception of SEBI's effectiveness in protecting the investors.

MAJOR FINDINGS

1. SEBI is highly effective in grievance redressal relating to share trading and providing adequate protection for investors. It is also effective with regard to disclosure norms and redressal forums in order to provide better investors' protection
2. SEBI is ineffective in minimizing frauds in the market whereas it is moderately effective in framing comprehensive rules and regulations, control of intermediaries, regulating the market, controlling price rigging anomalies, controlling insider trading, framing various guidelines to enhance investors' confidence, authorities' receptive to retail investors' complaints and time taken to redressal the complaints.
3. It is found that the perceived level of SEBI's effectiveness in protecting the customers differ by respondents' gender, age, area of residence, educational levels, occupational status, earning members in family and family income.

SUGGESTIONS

1. SEBI should frame strict rules and regulations to mitigate the frauds in the capital market, control intermediaries, insider trading and price rigging anomalies.
2. Before entering into capital market and making investments, the investors need to do fundamental analysis and get clear picture of the company they intend to invest.

CONCLUSION

It is concluded that SEBI is highly effective in grievance redressal relating to share trading and providing adequate protection for investors. It is also effective in disclosure norms and redressal forums in order to provide better investors' protection. But SEBI is

ineffective in minimizing frauds in the market whereas it is moderately effective in framing comprehensive rules and regulations, control of intermediaries, regulating the market, controlling price rigging anomalies, controlling insider trading, framing various guidelines to enhance investors' confidence, authorities' receptive to retail investors' complaints and time taken to redressal the complaint. It is further concluded that SEBI's effectiveness in framing rules and regulations tend to influence the investors to invest more in forex instrument in capital market even if SEBI is less effective in controlling intermediaries. Overall, it is concluded that SEBI is effective in grievance redressal but ineffective in minimizing the frauds in the stock market.

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