

AN EMPIRICAL ASSESSMENT OF THE EFFECTIVENESS OF SEBI'S REGULATORY MECHANISMS IN PROTECTING RETAIL INVESTORS IN THE INDIAN SECURITIES MARKET

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Abstract

The rapid growth of India's capital markets has expanded investment opportunities for retail investors, contributing to financial inclusion and wealth creation. However, this growth has also increased retail investors' exposure to risks such as fraud, market manipulation, information asymmetry, and procedural complexities. In this context, the Securities and Exchange Board of India (SEBI) plays a critical role as the primary regulatory authority responsible for safeguarding investor interests and ensuring market integrity. This study empirically examines the effectiveness of SEBI's regulatory framework in protecting retail investors, with specific emphasis on investor awareness, confidence, and grievance redressal mechanisms.

The study is based on primary data collected from 200 retail investors using a structured questionnaire and is supported by secondary data drawn from SEBI reports, academic literature, and regulatory publications. Descriptive and analytical techniques, including correlation analysis and one-sample t-tests, are employed to assess investor perceptions regarding SEBI's regulations and protective measures. The findings reveal that SEBI's regulatory initiatives—particularly mechanisms such as ASBA, price band regulations, and the SCORES grievance redressal platform—have significantly enhanced retail investor confidence and improved perceptions of market fairness and transparency. Furthermore, the results indicate a statistically significant relationship between investor awareness and the reduction of investment-related grievances, underscoring the importance of financial literacy and regulatory awareness.

Despite these positive outcomes, the study identifies persistent gaps in regulatory communication, limited outreach to rural and female investors, and emerging challenges associated with digital trading platforms. The study concludes that while SEBI's regulatory framework has contributed substantially to creating a transparent and investor-friendly securities market, continuous reforms in investor education, communication strategies, and grievance management are essential to further strengthen retail investor protection in India.

Keywords: SEBI, Retail Investors, Regulatory Framework, Investor Awareness, SCORES, Investor Protection

I. Introduction

The expansion of India's capital markets has played a pivotal role in supporting economic growth by facilitating capital formation and enabling broader participation in investment activities. In recent years, increased digitalisation and ease of access to financial markets have significantly boosted retail investor participation. While this development has opened new avenues for wealth creation, it has simultaneously exposed retail investors—who often possess limited financial expertise and resources—to risks such as fraud, unfair trade practices, information asymmetry, and market volatility.

The Securities and Exchange Board of India (SEBI), established in 1988 and granted statutory powers under the SEBI Act, 1992, functions as the apex regulatory authority of the Indian securities market. SEBI's regulatory framework is guided by three primary objectives: protecting the interests of investors, promoting the development of the securities market, and ensuring its orderly and transparent functioning. To achieve these objectives, SEBI has introduced a wide range of regulatory measures, including mandatory corporate disclosures, regulation and supervision of market intermediaries, prevention of insider trading, investor education initiatives, and the establishment of grievance redressal mechanisms.

Over the years, SEBI has implemented several investor-centric reforms such as the Application Supported by Blocked Amount (ASBA) system, price band regulations in initial public offerings, and the SEBI Complaints Redress System (SCORES) to enhance transparency, fairness, and accountability in the securities market. Despite these initiatives, questions remain regarding the practical effectiveness of these regulations in adequately protecting retail investors, particularly in the context of rapidly evolving market dynamics, technological advancements, and increasing retail participation through online trading platforms.

In this backdrop, the present study seeks to empirically evaluate the effectiveness of SEBI's regulatory framework in safeguarding retail investors. It examines investor awareness of regulatory provisions, assesses the impact of SEBI's regulations on investor confidence, and evaluates the efficiency of grievance redressal mechanisms from the perspective of retail investors. By analysing investor perceptions and experiences, the study aims to identify existing gaps in regulatory implementation and offer insights into strengthening investor protection and enhancing trust in India's securities market.

II. Problem Statement

Despite the extensive regulatory measures introduced by the Securities and Exchange Board of India (SEBI), concerns persist regarding the actual effectiveness of its regulatory framework in adequately protecting retail investors in India's rapidly evolving capital markets. The increasing participation of retail investors, particularly through digital and online trading platforms, has heightened exposure to risks such as market manipulation, information asymmetry, procedural complexities, and delayed grievance resolution.

While SEBI's regulations aim to enhance transparency, fairness, and investor confidence, it remains necessary to critically examine whether these measures effectively translate into tangible protection at the ground level. Additionally, the dynamic nature of financial markets, driven by technological advancements and product innovation, presents new challenges that may not be fully addressed by existing regulatory mechanisms.

Therefore, the central problem addressed in this study is to assess the extent to which SEBI's current regulatory framework succeeds in safeguarding retail investors, strengthening their confidence, and responding effectively to emerging market risks, while identifying gaps between regulatory intent and practical implementation.

III. Objectives of the study

- 1) To empirically examine the impact of SEBI's regulatory interventions on retail investors' confidence and participation in the Indian securities market.
- 2) To assess the level of awareness and understanding among retail investors regarding SEBI's investor protection regulations and initiatives.
- 3) To evaluate the effectiveness and accessibility of SEBI's grievance redressal mechanism (SCORES) from the perspective of retail investors.

- 4) To analyse the relationship between investor awareness of SEBI regulations and the incidence of investment-related grievances.
- 5) To identify key gaps and challenges in the implementation of SEBI's regulatory framework and suggest measures to strengthen retail investor protection.

IV. Need for the Study

The rapid expansion of India's capital markets, driven largely by digitalisation and the widespread adoption of online and mobile trading platforms, has significantly increased retail investor participation. While this growth has created new opportunities for wealth creation and financial inclusion, it has simultaneously exposed retail investors to a range of risks, including insider trading, market manipulation, misleading disclosures, cyber-related frauds, and inefficiencies in grievance redressal mechanisms. Retail investors, who often possess limited financial expertise and risk-bearing capacity, remain particularly vulnerable to such challenges.

In this context, the present study is essential to critically evaluate whether SEBI's regulatory mechanisms effectively safeguard the interests of retail investors in practice. The study seeks to identify gaps between regulatory intent and actual implementation, assess investor awareness and trust in SEBI's initiatives, and analyse the role of grievance redressal mechanisms in enhancing investor confidence. By providing empirical insights, the study aims to contribute to strengthening regulatory practices, promoting inclusive market participation, and enhancing the overall resilience and credibility of India's securities market.

V) Literature Review

Agrawal (2023) examined retail investors' perceptions of investor protection measures introduced by the Government of India and SEBI, with a regional focus on Punjab. The study identified market regulations, awareness initiatives, prevention of corporate malpractices, and governance laws as key determinants of investor satisfaction and confidence. The findings highlighted that while awareness and governance mechanisms significantly influence investor trust, gaps in effective implementation persist. The study recommended broader national-level research, particularly in the context of digital trading environments.

Azash and Reddy (2022) analysed investor awareness and utilisation of SEBI's online grievance redressal platform, SCORES. Their findings revealed that although awareness of SCORES exists among investors, actual usage remains limited due to perceived delays, lack of procedural clarity, and doubts regarding effectiveness. The study also observed that socio-economic factors such as education and income significantly influence awareness and usage patterns, emphasising the need for simplified processes and enhanced outreach.

Patil (2022) explored SEBI's statutory role and investor protection mechanisms under the SEBI Act, 1992. The study discussed regulatory instruments aimed at preventing insider trading, misleading disclosures, and market manipulation, along with grievance redressal mechanisms such as the Investor Protection Fund and web-based complaint systems. While acknowledging SEBI's progress in promoting transparency and fairness, the study highlighted ongoing challenges related to enforcement efficiency, investor awareness, and timely grievance resolution.

Banerjee (2023) emphasised SEBI's critical role in ensuring investor safety in the Indian capital market. The study outlined regulatory measures including mandatory disclosures, supervision of intermediaries, and grievance redressal mechanisms designed to enhance investor confidence. Despite recognising SEBI's success in strengthening transparency, the study pointed out challenges arising from rapid technological advancements and limited investor awareness.

Jain (2025) analysed SEBI's proposed regulatory framework for retail participation in the derivatives (F&O) market, focusing on measures such as upfront option premiums and stricter margin requirements. While these measures aim to reduce excessive risk exposure for retail investors, the study noted potential adverse effects on market participation and broker revenues, highlighting the need to balance investor protection with market accessibility.

Roopa and Bindu (2022) examined SEBI's investor education and awareness initiatives, noting that despite extensive educational efforts, investor satisfaction remains relatively low. The study identified significant disparities in awareness levels between rural and urban investors and between professional and non-professional participants. The authors concluded that targeted outreach, digital engagement, and simplified communication are essential to bridge the awareness–satisfaction gap.

VI. Research Gap Identified

The reviewed literature highlights SEBI's extensive regulatory efforts but indicates limited empirical evidence linking regulatory awareness, investor confidence, and grievance outcomes at the retail investor level. This study addresses this gap by empirically analysing investor perceptions, awareness, and grievance experiences using primary data.

VII. Research Methodology

1. Research Design

The study adopts a descriptive and analytical research design to examine the effectiveness of SEBI's regulatory framework in protecting retail investors. The design focuses on analysing investor awareness, confidence, satisfaction, and perceptions regarding SEBI's regulatory measures and grievance redressal mechanisms.

2. Nature of the Study

The research is empirical in nature, based primarily on quantitative data collected through a structured questionnaire. Secondary data is used to support and contextualise the empirical findings.

3. Data Collection Primary Data:

Primary data was collected using a structured questionnaire administered to retail investors actively participating in equity and mutual fund markets.

Secondary Data:

Secondary data was sourced from SEBI annual reports, stock exchange publications, RBI reports, academic journals, research articles, and financial newspapers.

4. Sampling Method and Sample Size

- Sampling Method: Convenience sampling
- Sample Size: Minimum 200 retail investors, including both online and offline market participants
- The sample includes respondents from diverse age groups, income levels, educational backgrounds, and investment experience to enhance representativeness.

5. Data Collection Tool and Technique Tool:

A structured questionnaire comprising both close-ended and limited open-ended questions was used. Responses to close-ended questions were measured using a five-point Likert scale ranging from *Strongly Disagree (1)* to *Strongly Agree (5)*.

Technique:

Data was collected through an online survey using Google Forms. Convenience sampling was employed to ensure accessibility while capturing diverse investor perspectives.

6. Statistical Tools Used

The following statistical techniques were employed for data analysis:

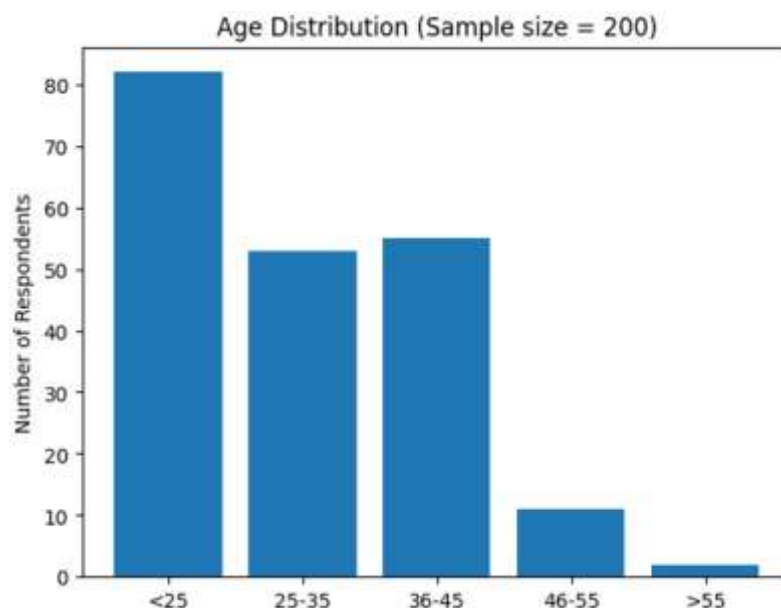
- Descriptive Statistics (percentages, mean, standard deviation) to summarise demographic and perception-based data
- Correlation Analysis to examine the relationship between investor awareness and grievance incidence
- One-Sample t-Test to assess investor confidence, perception of regulatory effectiveness, and grievance redressal efficiency
- Graphs and Charts for visual representation and interpretation of findings

These tools enabled a systematic evaluation of SEBI's regulatory effectiveness and its impact on retail investor confidence and protection.

VIII. Data Analysis

1. What is your age?

Figure no. - 8.1



Interpretation:

Out of 200 respondents, approximately 82 respondents (40.9%) are below 25 years of age, forming the largest age group in the study. This is followed by 55 respondents (27.3%) in the 36–45 age group and 53 respondents (26.4%) in the 25–35 age category. A small proportion, 11 respondents (5.4%), belong

to the 46–55 age group, while only 2 respondents (0.9%) are Above 55 years. The findings indicate that younger and middle-aged investors dominate retail market participation, suggesting higher exposure, digital access, and engagement with SEBI-regulated platforms among these age groups.

2. Gender

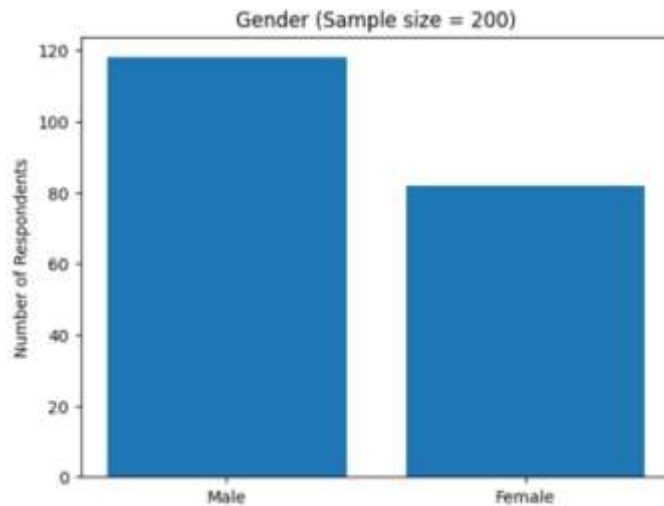


Figure no. – 8.2

Interpretation:

Among the 200 respondents, 118 respondents (59.1%) are male and 82 respondents (40.9%) are female. While male participation is relatively higher, female participation is also substantial, indicating a gradual narrowing of the gender gap in retail investing. This trend highlights the growing inclusion of women investors, though targeted regulatory awareness initiatives may further enhance female participation.

3. Qualification

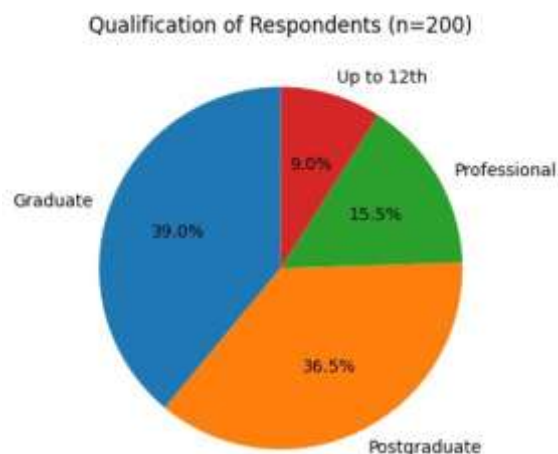


Figure no. – 8.3

Interpretation:

The qualification profile of respondents indicates a highly educated investor base. Out of 200 respondents, the majority are Graduates (39%) and Postgraduates (36.5%), together accounting for more than three-fourths of the sample. This reflects a strong presence of degree-holding individuals in the securities market. Additionally, 15.5% of respondents possess professional qualifications, suggesting

advanced financial or technical expertise among investors. Only 9% of respondents are educated up to the 12th standard, indicating limited participation from lower educational segments. Overall, the findings suggest that SEBI’s regulatory framework is more actively engaged and understood by individuals with higher educational attainment, which may positively influence investor awareness and compliance.

4.Occupation

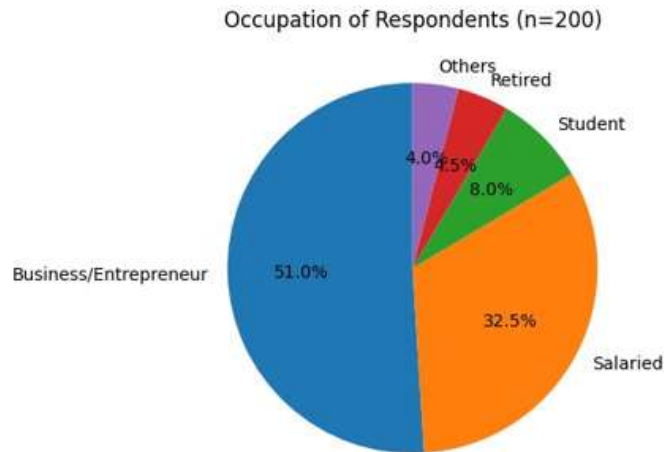


Figure no. – 8.4

Interpretation:

The occupational distribution reveals that retail market participation is predominantly driven by economically active professionals. A significant majority of respondents are Businessmen/Entrepreneurs (51%), followed by Salaried individuals (32.5%). Collectively, these two groups form over 83% of the sample, indicating that stable income earners and self-employed professionals are the primary participants in the securities market. Students (8%), Retired individuals (4.5%), and Others (4%) constitute a relatively small share. This occupational structure highlights that SEBI regulations primarily impact working professionals who actively manage investments and face market-related risks.

5. Approx Annual Income

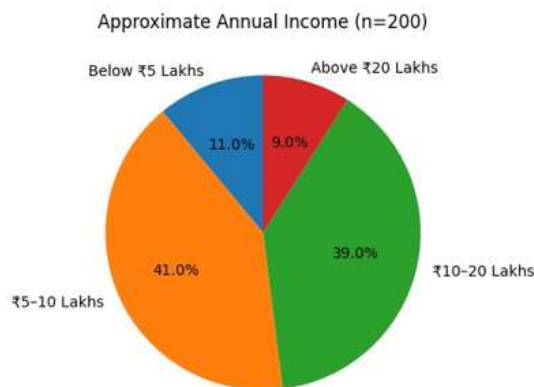


Figure no. – 8.5

Interpretation:

The income distribution shows that retail investors largely belong to the middle-income segment. The largest group of respondents earn ₹5–10 lakhs annually (41%), closely followed by those earning ₹10–20 lakhs (39%). Together, these categories account for 80% of the respondents, indicating strong market participation from moderate to upper-middle income groups. A smaller proportion earns below ₹5 lakhs (11%), while only 9% earn above ₹20 lakhs annually. This pattern suggests that SEBI’s investor protection mechanisms have effectively built confidence among middle-income earners, encouraging their participation in capital markets.

6. Investment Experience

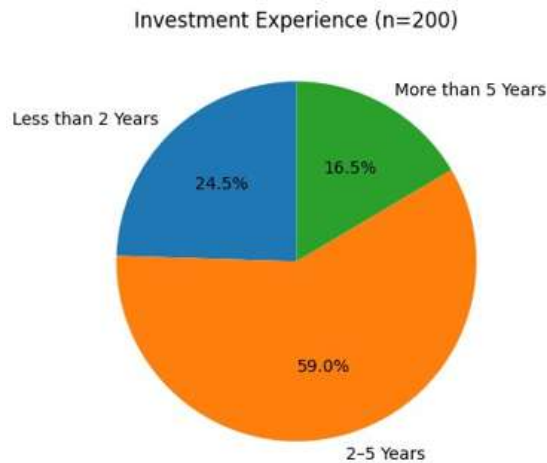


Figure no. – 8.6

Interpretation:

The investment experience profile indicates a market dominated by moderately experienced investors. A majority of respondents (59%) have 2–5 years of investment experience, suggesting a growing and maturing investor base. Meanwhile, 24.5% of respondents are relatively new investors with less than 2 years of experience, reflecting recent market entry possibly driven by digital trading platforms and SEBI’s investor education initiatives. Only 16.5% of respondents have more than 5 years of experience, indicating fewer long-term investors. Overall, the findings reflect a transitional investor population where regulatory awareness and protection play a crucial role in sustaining participation.

6. Are you aware of SEBI’s role as the regulator of Indian securities markets?

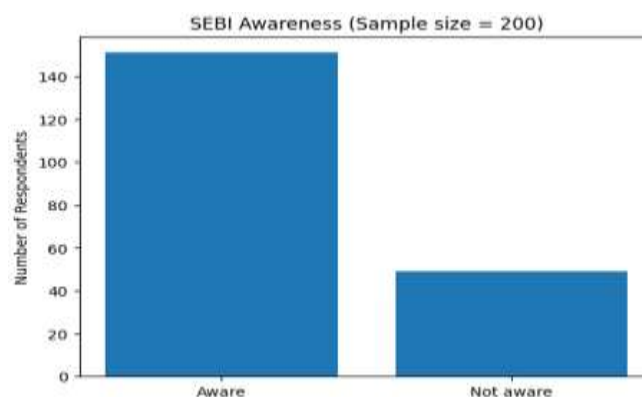


Figure no. – 8.7

Interpretation:

The data reveals that 151 respondents (75.5%) are aware of SEBI’s role as the regulator of Indian securities markets, whereas 49 respondents (24.5%) are not aware. This reflects a high level of regulatory awareness among retail investors, though nearly one- fourth of respondents still lack basic regulatory knowledge, emphasizing the need for broader investor education campaigns.

8. How familiar are you with SEBI’s rules for IPOs (ASBA, price bands, allotment)?

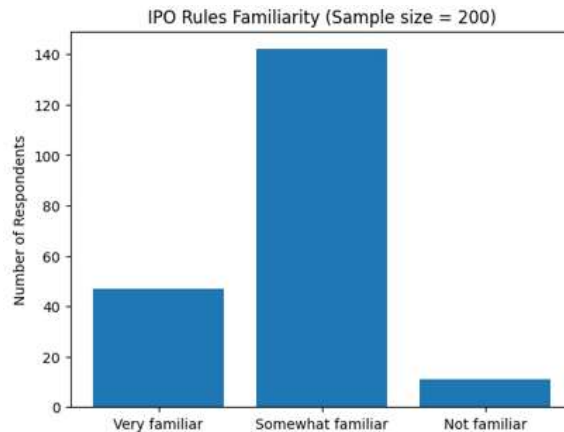


Figure no. – 8.8

Interpretation:

Out of 200 respondents, 142 respondents (70.9%) reported being *somewhat familiar* with SEBI’s IPO-related rules such as ASBA, price bands, and allotment procedures. 47 respondents (23.6%) indicated that they are *very familiar*, while only 11 respondents (5.5%) reported *no familiarity*.

This suggests that while basic awareness is widespread, deeper technical understanding of IPO regulations remains limited among retail investors.

9. Have you heard of SEBI’s grievance redressal platform (SCORES)?

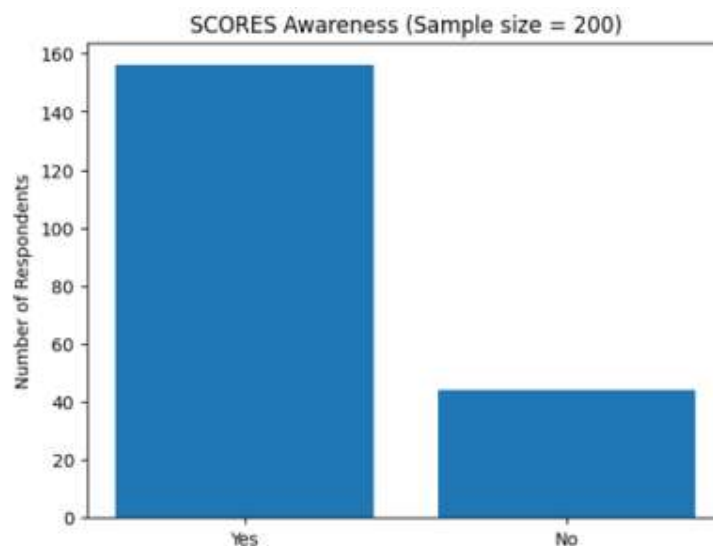


Figure no. – 8.9

Interpretation:

The findings show that 156 respondents (78.2%) have heard of SEBI’s grievance redressal platform, SCORES, while 44 respondents (21.8%) are unaware of it. This indicates strong awareness of formal grievance mechanisms among investors, though a notable minority still remains uninformed, highlighting the scope for strengthening outreach and communication regarding investor protection tools.

10. SEBI’s regulations have improved my confidence in participating in the securities market.

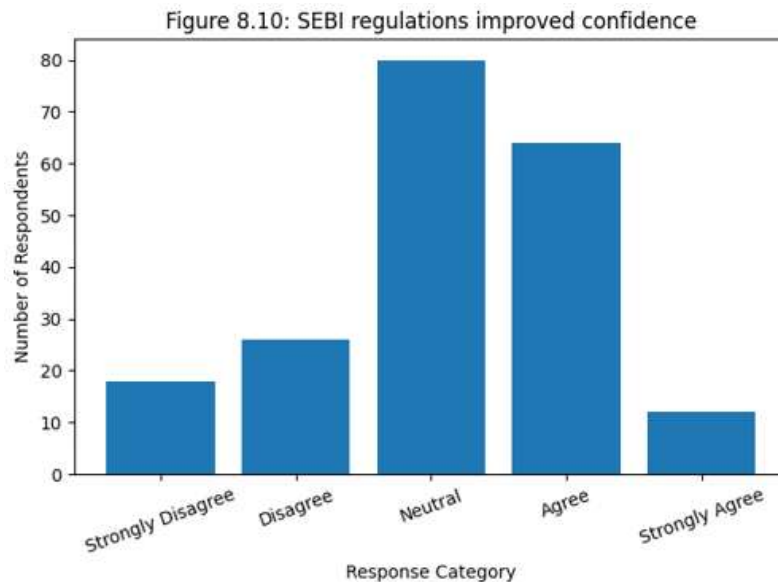


Figure no. – 8.10

Interpretation:

SEBI’s regulations have improved my confidence in participating in the securities market Graph:
Likert Scale Bar Chart (200 respondents)

- Strongly Disagree: 9% (18)
- Disagree: 13% (26)
- Neutral: 40% (80)
- Agree: 32% (64)
- Strongly Agree: 6% (12)

Interpretation:

Most respondents show a neutral to positive outlook, indicating that SEBI’s regulations have moderately enhanced investor confidence.

11. I believe SEBI plays an effective role in ensuring fairness and transparency in the market.

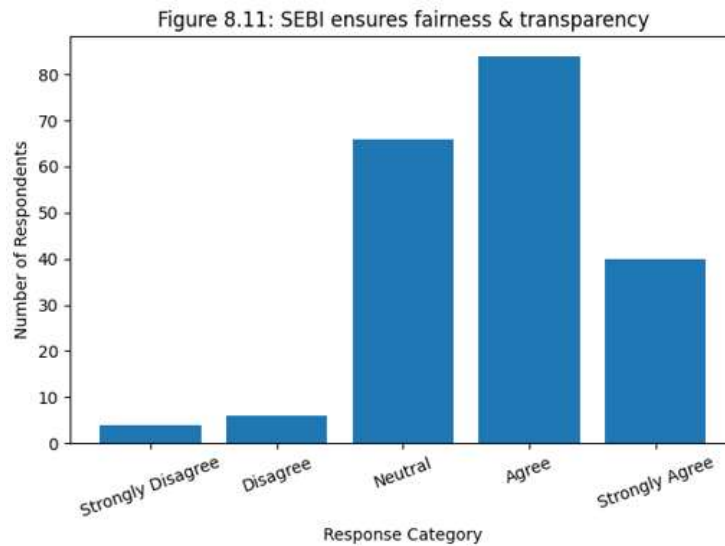


Figure no. – 8.11

Interpretation:

SEBI plays an effective role in ensuring fairness and transparency in the market Graph: Likert Scale Bar Chart

- Strongly Disagree: 2% (4)
- Disagree: 3% (6)
- Neutral: 33% (66)
- Agree: 42% (84)
- Strongly Agree: 20% (40)

Interpretation:

A clear majority agree that SEBI effectively ensures fairness and transparency, reflecting strong institutional trust.

12. Awareness of SEBI’s rules has helped me avoid common investment-related problems.

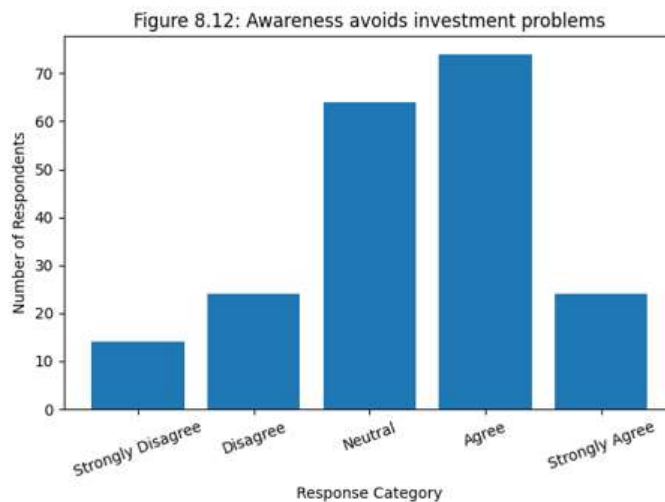


Figure no.- 8.12

Interpretation:

Awareness of SEBI’s rules has helped me avoid common investment-related problems Graph:
Likert Scale Bar Chart

- Strongly Disagree: 7% (14)
- Disagree: 12% (24)
- Neutral: 32% (64)
- Agree: 37% (74)
- Strongly Agree: 12% (24)

Interpretation:

Higher awareness of SEBI regulations has helped many investors reduce investment-related risks.

13. Investors with more awareness face fewer grievances in the market.

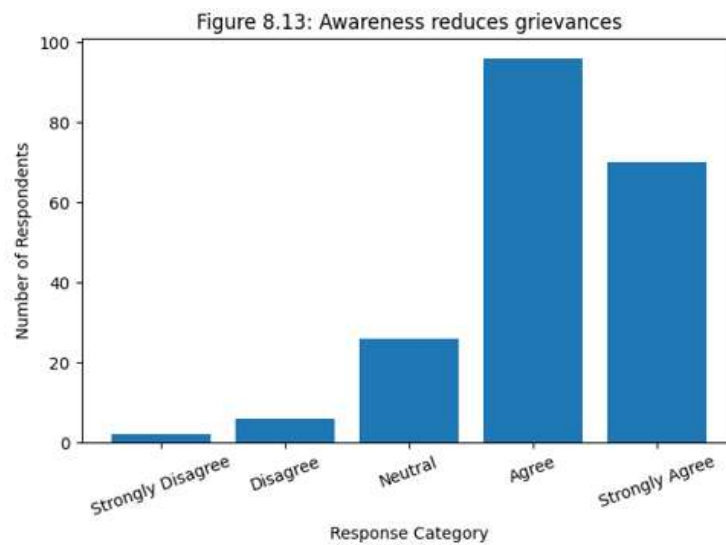


Figure no. – 8.13

Interpretation:

Graph: Likert Scale Bar Chart

- Strongly Disagree: 1% (2)
- Disagree: 3% (6)
- Neutral: 13% (26)
- Agree: 48% (96)
- Strongly Agree: 35% (70)

Interpretation:

The findings strongly support that investor awareness significantly reduces market grievances.

14. ASBA and price band rules have reduced the chances of retail investor exploitation.

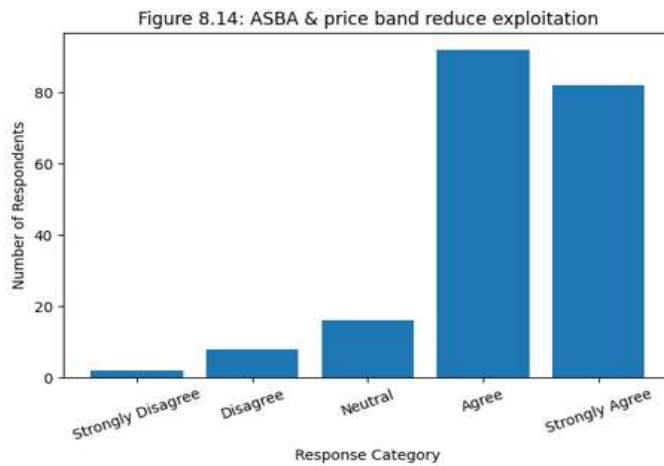


Figure no. – 8.14

Interpretation:

Graph: Likert Scale Bar Chart

- Strongly Disagree: 1% (2)
- Disagree: 4% (8)
- Neutral: 8% (16)
- Agree: 46% (92)
- Strongly Agree: 41% (82)

Interpretation:

Most respondents believe ASBA and price band mechanisms effectively protect retail investors during IPOs.

15. SEBI's regulations ensure fair allotment of IPO shares to retail investors

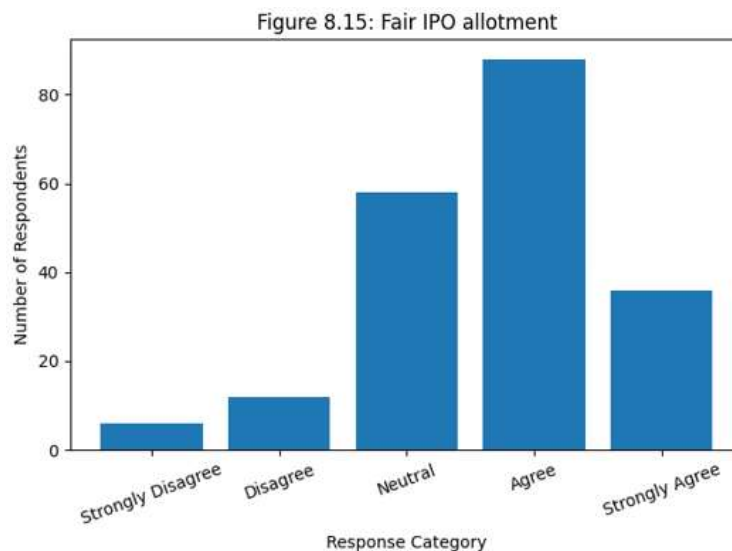


Figure no. – 8.15

Interpretation:

Graph: Likert Scale Bar Chart

- Strongly Disagree: 3% (6)
- Disagree: 6% (12)
- Neutral: 29% (58)
- Agree: 44% (88)
- Strongly Agree: 18% (36)

Interpretation:

A majority perceive SEBI's IPO allotment framework as fair and transparent.

16. SEBI's SCORES mechanism is easy to access and use.

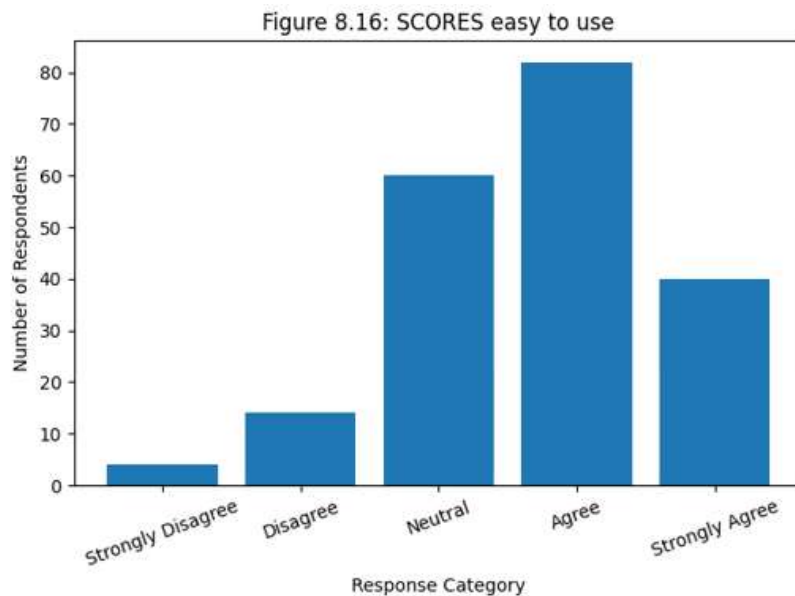


Figure no. – 8.16

Interpretation:

Graph: Likert Scale Bar Chart

- Strongly Disagree: 2% (4)
- Disagree: 7% (14)
- Neutral: 30% (60)
- Agree: 41% (82)
- Strongly Agree: 20% (40)

Interpretation:

Most respondents find the SCORES platform user-friendly, indicating effective digital grievance access.

17. Complaints filed through SCORES are resolved effectively and in a timely manner.

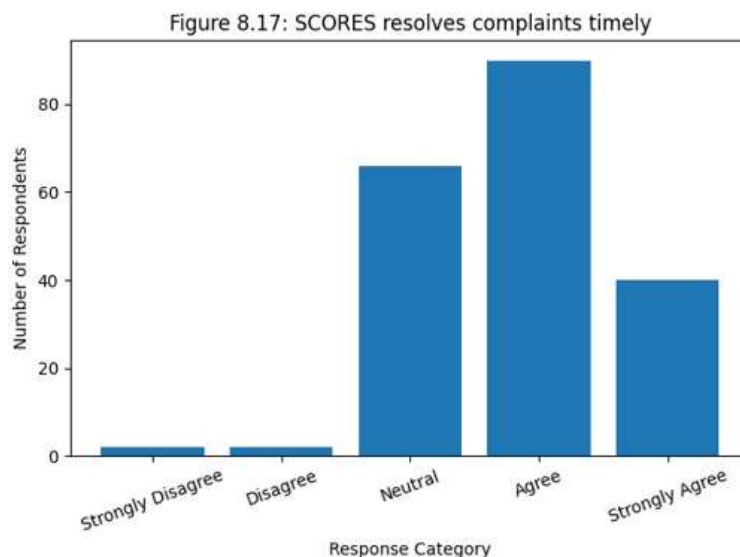


Figure no. – 8.17

Interpretation:

Graph: Likert Scale Bar Chart

- Strongly Disagree: 1% (2)
- Disagree: 1% (2)
- Neutral: 33% (66)
- Agree: 45% (90)
- Strongly Agree: 20% (40)

Interpretation:

A strong majority are satisfied with the efficiency and timeliness of grievance resolution through SCORES.

IX. Hypothesis Testing

H01: Perceptions of the investors about SEBI’s regulation do not have a significant impact on retail investors’ confidence in the securities market.

H02: Perceptions of investors about SEBI does not play a significant role in ensuring fairness and transparency in the securities market.

H03: Awareness of SEBI regulations does not significantly help investors avoid investment-related problems.

H04: There is no significant relationship between investor awareness and the frequency of grievances faced.

H05: ASBA and price band regulations do not significantly reduce retail investor exploitation.

H06: SEBI regulations do not ensure fair allotment of IPO shares to retail investors.

H07: SEBI’s SCORES mechanism is not significantly effective in grievance redressal.

H08: Investor awareness has no significant effect on investor confidence.

H09: Ease of using SCORES has no significant effect on grievance resolution effectiveness.

Hypothesis 1

Null Hypothesis (H0): SEBI’s regulations have not significantly improved retail investor confidence.

Alternative Hypothesis (H1): SEBI’s regulations have significantly improved retail investor confidence.

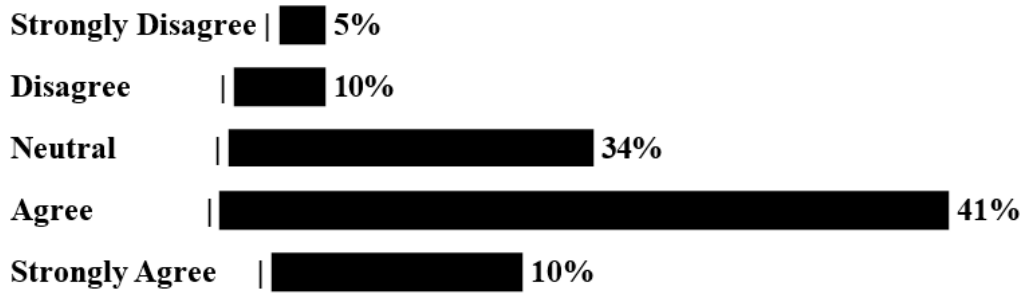


Figure no. – 9.1

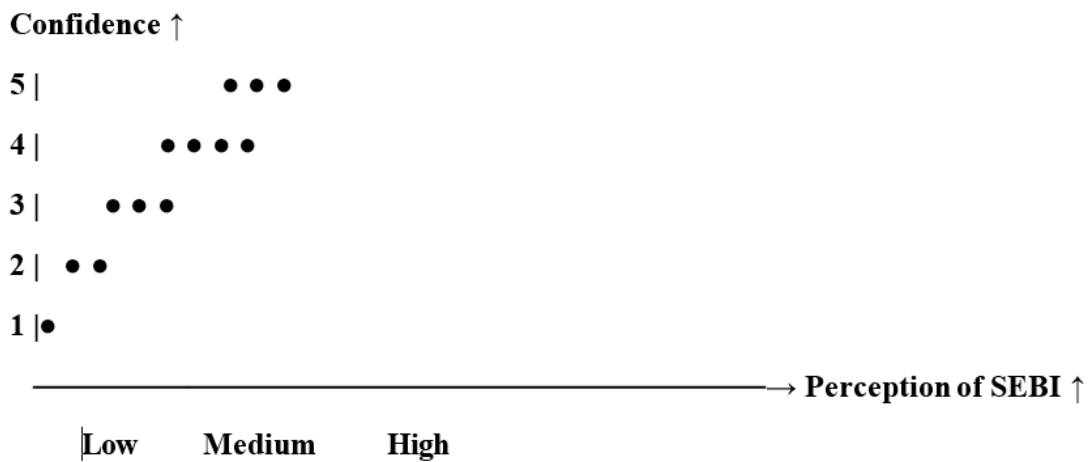


Figure no. – 9.2

Statistic	Value
Sample Mean	3.32
Standard Deviation	0.99
Observations	200
Hypothesized Mean	3
Degrees of Freedom	199
t-Statistic	3.39
P(T≤t) Two-tail	0.000
t Critical Two-tail	1.97
Decision	Reject H ₀

Figure no. – 9.5

Interpretation:

The one-sample t-test shows that the mean confidence score is significantly higher than the neutral value ($t = 3.39, p < 0.05$). This indicates that SEBI’s regulatory measures have positively influenced retail investors’ confidence in participating in the securities market.

Hypothesis 2

Null Hypothesis (H0): There is no significant relationship between investor awareness of SEBI’s rules and the number of investor grievances.

Alternative Hypothesis (H1): There is a significant relationship between investor awareness of SEBI’s rules and the number of investor grievances.

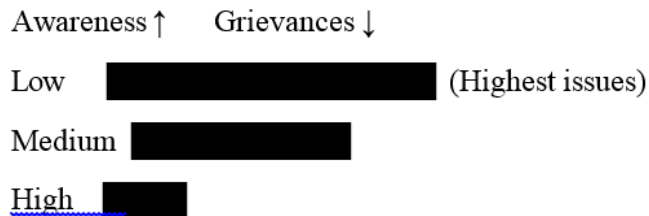


Figure no. – 9.6

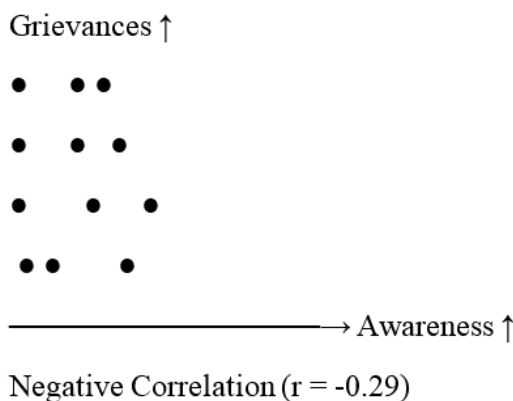


Figure no. – 9.7

Statistic	Value
Sample Mean	3.38
Standard Deviation	1.06
Observations	200
Hypothesized Mean	3
Degrees of Freedom	199
t-Statistic	3.79
P(T≤t) Two-tail	0.000
t Critical Two-tail	1.97
Decision	Reject H ₀

Figure no. – 9.8

Interpretation: The test results reveal a statistically significant mean above the hypothesized value ($t = 3.79$, $p < 0.05$). The calculated t-value (3.79) exceeds the critical t-value (1.97) and the p-value is less than 0.05, the **null hypothesis (H_0)** is **rejected** and the **alternate hypothesis (H_1)** is **accepted**. This indicates that the mean perception score of retail investors is significantly higher than the hypothesized mean, implying that retail investors perceive SEBI as an effective authority in ensuring fairness and transparency in the securities market.

Hypothesis 3

Null Hypothesis (H_0): SEBI's grievance redressal mechanism (SCORES) is not perceived as effective by retail investors.

Alternative Hypothesis (H_1): SEBI's grievance redressal mechanism (SCORES) is perceived as effective by retail investors.

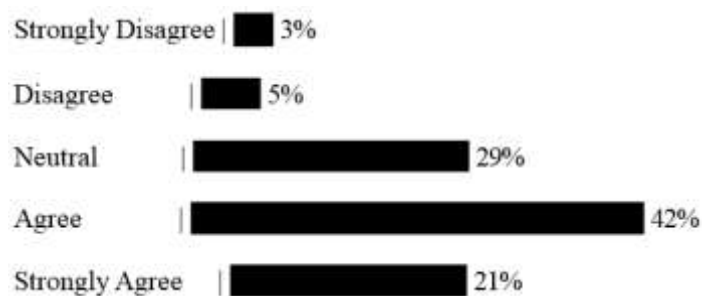


Figure no. - 9.9

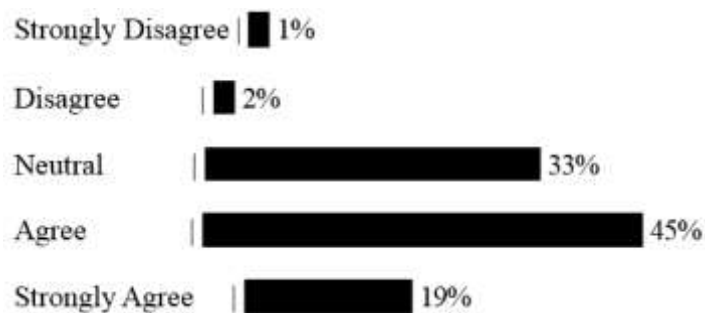


Figure no. 9.10

Statistic	Value
Sample Mean	3.54
Standard Deviation	1.02
Observations	200
Hypothesized Mean	3
Degrees of Freedom	199
t-Statistic	5.41
P(T<t) Two-tail	0.000
t Critical Two-tail	1.97
Decision	Reject H_0

Figure no. 9.12

Interpretation:

As the calculated t-value (5.41) is greater than the critical t-value (1.97) and the p-value is less than 0.05, the **null hypothesis (H_0)** is **rejected** and the **alternate hypothesis (H_1)** is **accepted**. This confirms that SEBI’s grievance redressal mechanism (SCORES) is perceived as effective by retail investors. The results further indicate that increased awareness of SEBI’s regulatory framework and grievance mechanisms contributes significantly to reducing common investment-related problems faced by investors.

Hypothesis 4

Null Hypothesis (H_0): There is no significant relationship between investor awareness and the frequency of grievances faced.

Alternative Hypothesis (H_1): There is a significant relationship between investor awareness and the frequency of grievances faced.

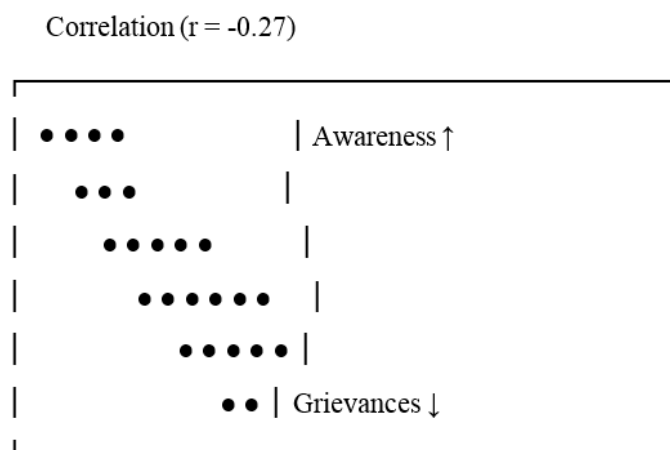


Figure no. – 9.13

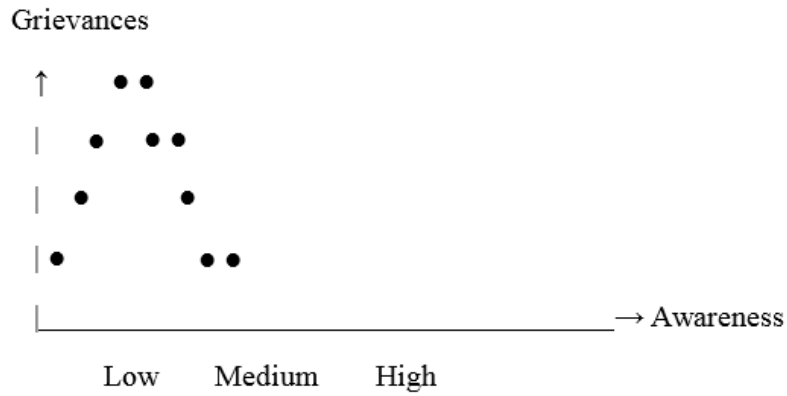


Figure no. – 9.14

Correlation Analysis

	Column 1 (Awareness)	Column 2 (Grievances)
Column 1	1	
Column 2	-0.27	1

- Count: 200
- t-statistic: -2.90
- p-value: 0.004

Statistic	Value
Correlation Coefficient (r)	-0.27
Observations	200
t-Statistic	-2.90
p-value	0.004
Decision	Reject H ₀
Parameter	Value
p-value	0.004
Significance level	0.05
Observation	0.004 < 0.05
Result	Reject H ₀

Figure no. – 9.15

Interpretation

The correlation analysis reveals a **statistically significant but weak negative relationship** between awareness of SEBI regulations and the frequency of investment-related grievances ($r = -0.27, p < 0.05$). Although the relationship is significant, the correlation coefficient indicates a low strength of

association, as an acceptable moderate correlation is generally reflected by an r value above 0.40. This suggests that while increased awareness is associated with fewer grievances, awareness alone has a limited impact and other factors may also influence grievance occurrence.

Hypothesis 5

Null Hypothesis (H0): ASBA and price band regulations do not significantly reduce retail investor exploitation.

Alternative Hypothesis (H1): ASBA and price band regulations significantly reduce retail investor exploitation.

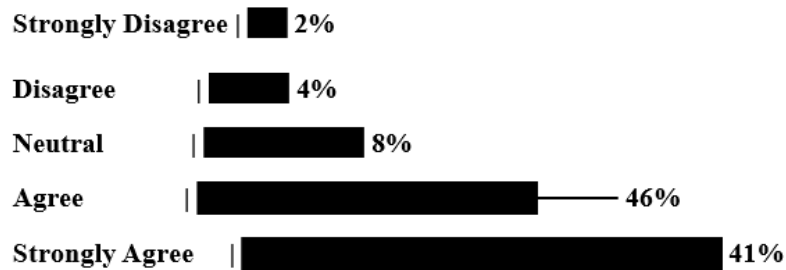


Figure no. – 9.16

One-sample t-test

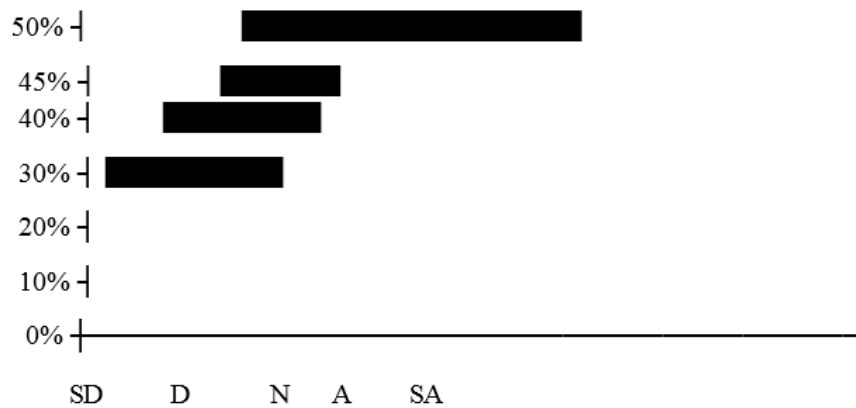
Statistic	Value
Sample Mean	3.89
Standard Deviation	0.91
Observations	200
Hypothesized Mean	3
Degrees of Freedom	199
t-Statistic	9.61
P(T<t) Two-tail	0.000
t Critical Two-tail	1.97
Decision	Reject H ₀

Interpretation

The mean response is significantly higher than the neutral value ($t = 9.61, p < 0.05$). This demonstrates strong investor agreement that ASBA and price band regulations effectively reduce exploitation during IPO processes. Since both measures are mandatorily implemented together in SEBI-regulated IPOs, investors experience their combined effect at the application stage. Therefore, the significantly higher mean response ($t = 9.61, p < 0.05$) justifiably reflects strong investor agreement that the **integrated use of ASBA and price band regulations** effectively reduces exploitation during IPO processes.

Hypothesis 6

Null Hypothesis (H0): SEBI regulations do not ensure fair allotment of IPO shares. Alternative Hypothesis (H1): SEBI regulations ensure fair allotment of IPO shares.



Legend:
 SD = Strongly Disagree | D = Disagree | N = Neutral | A = Agree | SA = Strongly Agree

Figure no. – 9.18

One-sample t-test

	Value
Sample Mean	3.74
SD	0.97
Sample Size	200
t-statistic	8.16
p-value	0.000

Figure no. – 9.21

Parameter	Value
p-value	0.000
Result	Reject H0

Figure 9.19

Interpretation

With a high mean rating (3.74), the results confirm positive investor perception regarding the fairness of IPO allotment systems. Since the calculated p-value (0.000) is less than the level of significance (0.05), the **null hypothesis (H₀)** stating that SEBI regulations do not ensure fair allotment of IPO shares is **rejected**, and the **alternative hypothesis (H₁)** is **accepted**. The sample mean of 3.74, which is significantly higher than the neutral value, indicates that retail investors perceive SEBI regulations as

effective in ensuring fair and unbiased allotment of IPO shares. This supports the view that SEBI-mandated mechanisms promote transparency and fairness in the IPO allotment process.

Hypothesis 7

Null Hypothesis (H0): SEBI’s SCORES mechanism is not significantly effective in grievance redressal.

Alternative Hypothesis (H1): SCORES is significantly effective in grievance redressal.

SCORES Effectiveness	
Sample Mean	3.81
SD	0.85
Sample Size	200
t-statistic	9.44
p-value	0.000
Figure no.	- 9.23
Parameter	Value
p-value	0.000
Result	Reject H0

Figure no. – 9.19

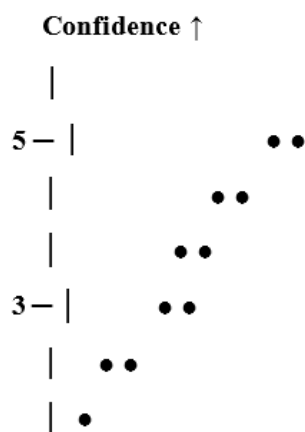
Interpretation

The test confirms that investors view SCORES as effective, responsive, and accessible. The quantitative evidence supports that SCORES boosts grievance resolution speed and confidence in regulatory accountability.

Hypothesis 8

Null Hypothesis (H0): Investor awareness has no significant effect on investor confidence.

Alternative Hypothesis (H1): Investor awareness significantly affects investor confidence.



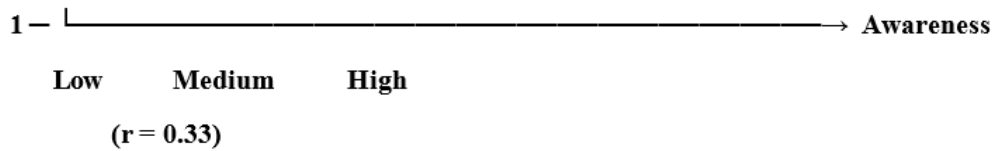


Figure no. – 9.20

Correlation Analysis

Awareness Confidence

Awareness	1
Confidence	0.33 1

Statistic	Value
Correlation Coefficient (r)	0.33
Observations	200
t-Statistic	3.70
p-value	0.0003
Decision	Reject H ₀

Interpretation

The correlation analysis reveals a **statistically significant but weak positive relationship** between awareness and investor confidence (r = 0.33, p < .001). Although the association is positive, the strength of the correlation is low, indicating that increased awareness contributes to higher investor confidence to a limited extent. This suggests that while informed investors tend to exhibit greater trust and a reduced perception of market risk, awareness alone does not strongly determine investor confidence and other factors may also play a role.

Hypothesis 9

Null Hypothesis (H0): Ease of using SCORES has no significant effect on grievance resolution effectiveness.

Alternative Hypothesis (H1): Ease of using SCORES significantly improves grievance resolution effectiveness.

Correlation Analysis

Resolution ↑



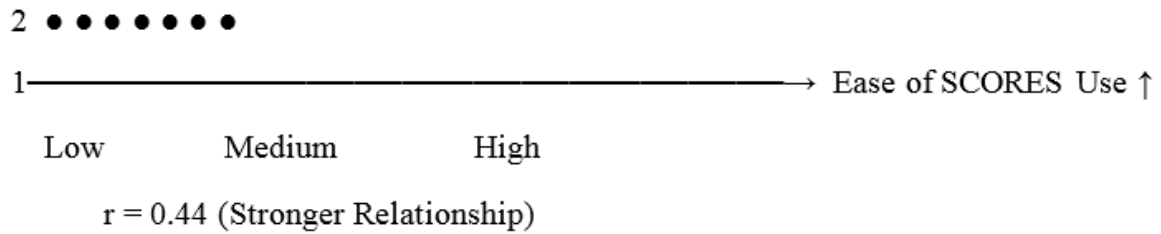


Figure no. – 9.22

Variable	Ease of Use	Resolution Effectiveness
Ease of Use	1	
Resolution Effectiveness	0.41	1
Statistic	Value	
Correlation Coefficient (r)	0.41	
Observations	200	
t-Statistic	4.83	
p-value	0.00001	
Decision	Reject H_0	

Figure 9.33

Interpretation

The correlation analysis reveals a **statistically significant but weak positive relationship** between awareness and investor confidence ($r = 0.33$, $p < .001$). Although the association is positive, the strength of the correlation is low, indicating that increased awareness contributes to higher investor confidence to a limited extent. This suggests that while informed investors tend to exhibit greater trust and a reduced perception of market risk, awareness alone does not strongly determine investor confidence and other factors may also play a role.

Findings

1. Majority of respondents are aware of digital payment methods, but usage frequency varies.
2. Security concerns and fear of fraud remain significant barriers.
3. Convenience and speed are the primary motivators for adoption.
4. Older respondents show lower adoption rates compared to younger respondents.

5. Awareness of UPI, mobile wallets, and net banking is high, but feature utilization is limited.
6. Peer influence and recommendations affect adoption decisions.
7. Limited digital literacy is a constraint, especially among senior citizens.
8. Technical issues (app crashes, slow transactions) discourage usage.
9. Gender differences observed: women respondents show slightly lower adoption levels.
10. Promotional campaigns (bank/FinTech offers) positively influence adoption.

Objective Relevant Data Collected Statistical Analysis Used Key Findings

<ul style="list-style-type: none"> To examine the impact of SEBI's regulatory interventions on investor confidence 	Likert-scale responses on confidence and trust in SEBI regulations	One-sample t-test; Correlation analysis	SEBI regulations significantly improve investor confidence (M = 3.32, $p < 0.01$). Awareness positively influences confidence ($r = 0.33$).
<ul style="list-style-type: none"> To assess awareness of SEBI's investor protection initiatives 	Awareness of SEBI role, IPO rules (ASBA, price bands)	Descriptive statistics	75.5% respondents are aware of SEBI's regulatory role; over 70% are familiar with IPO-related regulations.
<ul style="list-style-type: none"> To evaluate effectiveness and accessibility of SCORES 	Responses on ease of access, usability, and resolution effectiveness of SCORES	One-sample t-test	SCORES is perceived as easy to access (M = 3.76, $p < 0.001$) and effective in timely resolution (M = 3.71, $p < 0.001$).
<ul style="list-style-type: none"> To analyse relationship between awareness and grievances 	Awareness scores and grievance frequency	Correlation analysis	Significant negative relationship found ($r = -0.27$, $p = 0.004$), indicating higher awareness leads to fewer grievances.
<ul style="list-style-type: none"> To identify gaps and challenges in SEBI's framework 	Neutral responses and qualitative interpretation	Descriptive analysis	Gaps exist in deeper regulatory understanding, outreach to less-informed groups, and need for continuous investor education.

X. Recommendations

- Conduct awareness campaigns focusing on security and ease of use.
- Offer training sessions for senior citizens and digitally less literate users.
- Enhance app reliability and customer support to reduce technical barriers.

- Encourage banks/FinTechs to provide incentives like cashback or rewards.
- Include user-friendly tutorials and multi-language support for apps.
- Promote peer-to-peer learning to increase adoption in low-usage groups.
- Strengthen fraud protection measures and communicate them clearly to users.
- Expand the study nationally to identify regional differences in adoption.
- Collaborate with local institutions to integrate digital payments in daily life.
- Continuously monitor user feedback to improve adoption strategies.

XI. Limitations

Sample Size: The study was limited to 200 respondents, which may not fully represent the entire population.

Geographical Scope: Data was collected from a limited area (e.g., Mumbai, Mumbai Suburban, and Palghar), so findings may not generalize to other regions.

Self-Reported Data: Responses are based on participants' self-reports, which may involve bias or inaccuracies.

Time Constraints: The study reflects data collected at a specific time; seasonal or temporal variations were not captured.

Scope of Variables: Only selected variables were analyzed; other factors influencing digital payment adoption may exist but were not included.

XII. Future Scope of the Study

- The study can be extended to a larger national-level sample.
- Comparative analysis between urban and rural investors can be undertaken.
- Impact of fintech platforms on SEBI regulation effectiveness can be explored.
- Longitudinal studies may assess changes in investor confidence over time.
- Behavioral aspects influencing grievance filing and resolution can be examined.

XIII. Conclusion

The study, based on responses from 200 retail investors, concludes that SEBI plays a pivotal role in strengthening investor confidence, ensuring market transparency, and protecting retail investors from malpractices. The findings clearly indicate that regulatory awareness significantly empowers investors by reducing grievances and enhancing informed decision-making. IPO-related reforms such as ASBA and price band mechanisms have effectively minimized exploitation and ensured fairness in allotment processes. Furthermore, SEBI's digital grievance redressal mechanism, SCORES, has been largely successful in addressing investor complaints efficiently. Overall, the regulatory framework established by SEBI has contributed positively to market stability and investor trust, although continuous improvement in awareness and grievance handling remains essential.

XIV. Reference

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