

## Investor Awareness and Satisfaction Towards the SEBI Complaints Redress System in India

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### ABSTRACT

The Securities and Exchange Board of India (SEBI) is an essential regulatory body that helps keep the Indian financial markets stable and encourages investors to have faith in them. This study looks at how savvy Indian retail investors are about the SEBI Complaints Redress System and how satisfied they are with it. Based on primary data gathered from 310 retail investors chosen through purposive selection from NSE-authorized stock broking businesses, the study is descriptive and explanatory in nature. Based on the data, it's clear that a lot of investors know about SCORES, and the SEBI website is where most of them heard about it. The majority of responders are quite satisfied with SCORES and think it's a great platform for expressing complaints. In addition, the study finds that there is a strong correlation between gender and awareness levels, but no such correlation between gender and satisfaction levels. The results show that SCORES is a good tool for protecting investors, but they also show that we need to keep educating and reaching out to investors so that we can make it even better.

**Key Words:** *Awareness, Satisfaction, Gender, Grievance Redressal System, Media.*

### I. INTRODUCTION

In order to regulate the Indian capital market and protect investors' interests, the Securities and Exchange Board of India (SEBI) is crucial. The Stocks and Exchange Board of India (SEBI) was established in 1988 and given legislative powers in 1992 under the SEBI Act. SEBI's mission is to maintain the integrity, transparency, and orderly growth of the securities market. The Securities and Exchange Board of India (SEBI) launched the SEBI Complaints Redress System (SCORES) as a web-based tool to help investors lodge, track, and resolve their grievances more efficiently and with more investor protection. SCORES is a one-stop-shop where investors may lodge grievances with SEBI-regulated market institutions, such as listed corporations and registered intermediaries. By letting investors see the progress of their complaints in real time and making sure that relevant parties resolve concerns within the allotted timeframes, the system hopes to improve openness, responsibility, and responsiveness. Using digital technology, SEBI has greatly enhanced the efficiency of grievance redressal and drastically cut down on procedural delays.

Structured accountability is the guiding principle of the SEBI Complaints Redress System, which involves forwarding complaints to the relevant bodies for settlement while SEBI acts as a supervisory body. Even while SEBI doesn't decide on compensation-related issues, it's vital in making sure regulated businesses address investor complaints in a fair and timely manner. When systemic failures or frequent breaches are detected, SEBI can use the system to monitor compliance patterns, identify reoccurring concerns, and launch regulatory or enforcement measures. This is how SCORES helps improve market discipline and governance standards while simultaneously resolving individual complaints.

The need of a well-functioning system for resolving complaints has increased dramatically due to the growing number of individual investors in India's securities market, particularly via online trading platforms. Not only does a clear and user-friendly grievance system safeguard investors from misconduct, but it also increases market engagement and steadiness.

## II. REVIEW OF LITERATURE

Mittal, Umang & Sharma, Divya (2023) Due to the enormous financial burden, it is typically difficult for any corporation to take any sort of risk on its own. This is because the corporation invites members of the public to become participants through various investment schemes. To safeguard the interests of those who had invested in the business, security laws were enacted. A nation's financial system cannot function without a vibrant and well-oiled capital market. The Indian stock market ranks fourth globally in terms of performance. The cost of equity and capital could go down if the stock market conflict gets resolved. Second, the dispute resolution platform enables a feedback mechanism for the securities industry's regulation, indicating whether the legislation is effective or requires fine-tuning. In this regard, we examine SEBI's SCORES securities dispute resolution system through the lens of the three commonly accepted characteristics of an effective system: accessibility, efficiency, and fairness. When it comes to the first criterion, which is investor accessibility, the SCORES perform admirably. The fact that it takes consumer complaints seriously is illustrative.

Murali, S. (2022) Investors' Protection, SEBI, and Regulation of Financial Intermediaries are the three key terms in the title. After being established as an administrative organization in April 1988, the "Securities Exchange Board of India (SEBI)" was granted statutory character on 30.1.1992 by the publication of SEBI Ordinance, which is now an Act of Parliament. The Securities and Exchange Board of India (SEBI) has been around for more than eighteen years, and in that time it has developed and regulated the capital market in a number of ways, all with the goal of protecting investors and fostering its healthy growth.

Painoli, Girish & Shaik, & P., Nagaraja (2021) Massive growth in financial market activities, unusual increases in customer awareness of financial products and risks, a proliferation of financial frauds, tactics used by organisations to gain profits, and many other factors are putting the global financial and capital industries to the test. In order to ensure their own safety, financial regulators felt compelled to propose the concept of Investor Protection and Investor Education. The financial crisis also highlighted the importance of financial awareness and security to shield investors from market fluctuations. Due to its robust legal executive framework, the Indian economy is seen as the most reliable option for interests in many sectors. Having the confidence of financial backers is crucial for any endeavour. Something else, there isn't a market for it. As most of us are aware, the Protections and Exchange Board of India (P&EB) is responsible for regulating the Indian market and, among other things, educating and protecting investors. According to Indian controllers, SEBI is also the most respected regulator in the country. The Securities and Exchange Board of India (SEBI) has been an autonomous agency since 1992, drafting regulations and guidelines and revising them in response to shifting factors in the business sector and the varying concerns of its financial backers. Despite its best efforts, there are still certain gaps between investor protection and investor satisfaction. In keeping with the study "Financial Backer Protection: Awareness among Professionals," the present analysis depicts a coordinated writing audit with reliable references and conclusions generated from a variety of cohesive streams of hypotheses.

Murali, S. (2020) Liberalising the Indian Financial System, which is largely based on the recommendations of the Narsimhaman Committees, became necessary with the adoption of economic reforms in India in the recent past. Accordingly, changes to the capital markets were a significant aspect of the reforms to the economy. Efficiency in resource allocation is the primary goal of capital market reforms, which aim to loosen the current tight regulations. The Securities and Exchange Board of India (SEBI) was established with the purpose of regulating the operations of the primary and secondary markets, as well as to safeguard investors' interests and those of financial intermediaries in India.

Maheshwari, Deepika. (2016). A nation's financial system cannot function without a vibrant and well-oiled capital market. When it comes to global stock markets, the Indian market is fourth best. Roughly 47 million accounts, or roughly 97% of all mutual fund investors in India are retail investors. The national cost of equity and capital could go down if the securities market conflict gets resolved. Additionally, platforms for resolving disputes serve as a means of gathering information about the effectiveness or lack thereof of securities industry regulations. In this light, we take a look at SEBI's SCORES securities dispute resolution system and how well it works by comparing it to the three commonly cited qualities of an effective system: accessibility, efficiency, and fairness. In terms of the first criterion, which is the ease with which investors can access them, SCORES perform admirably. It takes client complaints too seriously.

### III. RESEARCH METHODOLOGY

#### Research Design

The current research is descriptive and explanatory in character as it concerns investors' views on the SEBI Complaints Redress System (SCORES).

#### Sampling Design

The study's retail investors were chosen using the purposive sampling approach.

#### Population and Sample Size

The retail investors are chosen through a variety of stock broking firms authorised by the NSE. The current study has a sample size of 310 investors.

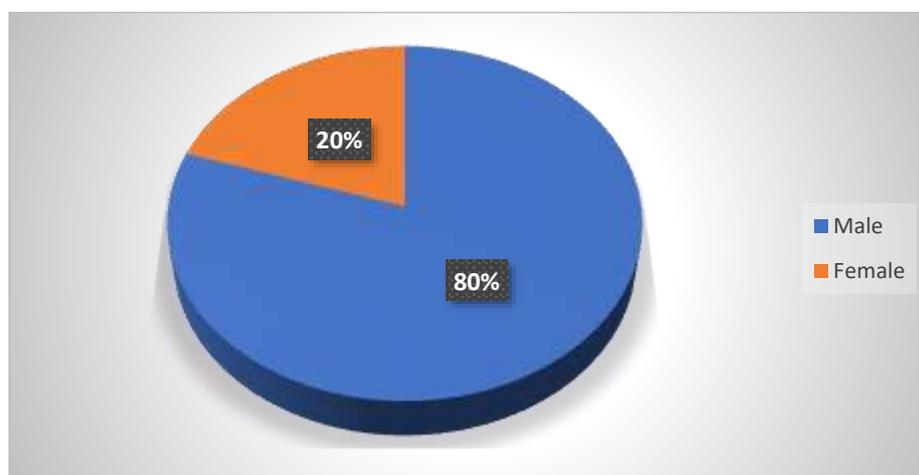
#### Statistical Tools Used

Data described by descriptive statistics, chi-square tests, arithmetic means, and standard deviations are utilised in primary data analysis.

### IV. DATA ANALYSIS AND INTERPRETATION

**Table 1: Gender of the Respondents**

Particulars	Frequency	Percent
Male	248	80.0
Female	62	20.0
Total	310	100

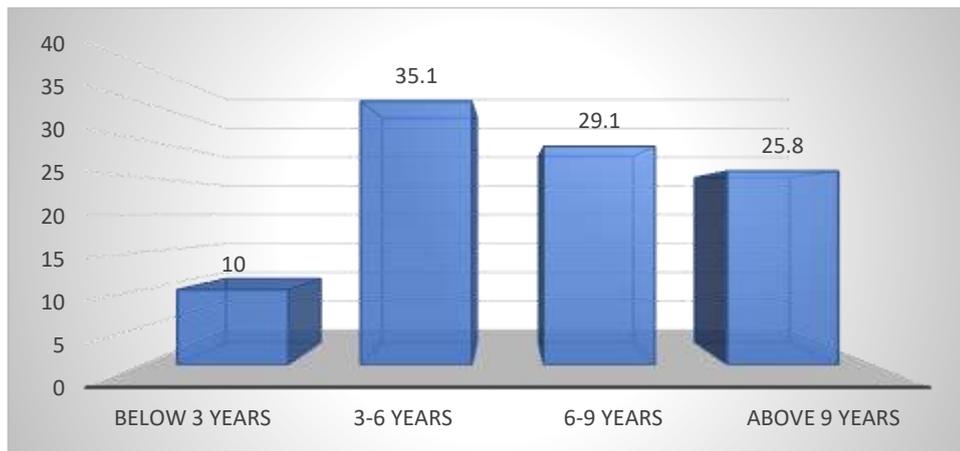


**Figure 1: Gender of the Respondents**

According to the data shown above, male investors make up the vast majority of the responses, accounting for 80% of the total. The percentage of female responses is under 20%.

**Table 2: Duration of Investment**

Particulars	Frequency	Percent
Below 3 years	31	10.0
3-6 years	109	35.1
6-9 years	90	29.1
Above 9 years	80	25.8
Total	310	100.0

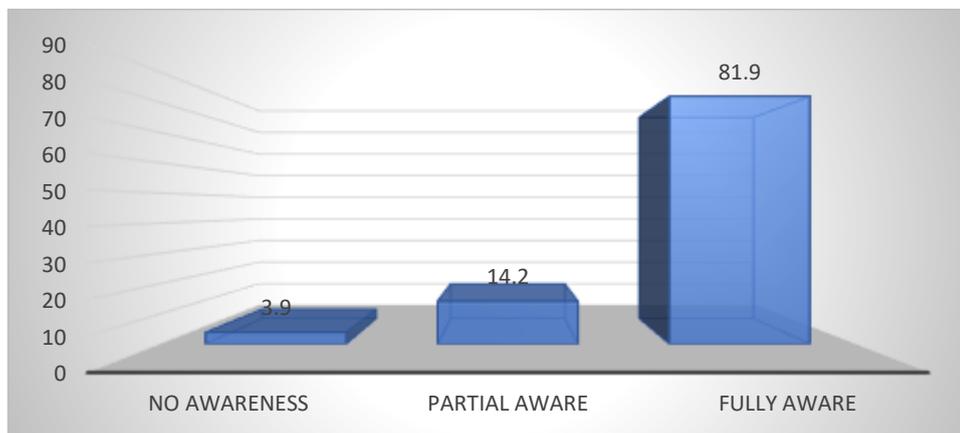


**Figure 2: Duration of Investment**

Approximately 35.1% of investors have been in the game for 3–6 years, while 29.1% have been around for 6–9 years. An exceptionally seasoned pool of investors is evident from the fact that 25.8% of those who took the survey had more than 9 years of experience in the field. It seems that not many people are new to investing, as just 10% of investors have less than 3 years of experience.

**Table 3: Awareness of SEBI Complaints Redress System (SCORES)**

Particulars	Frequency	Percent
No Awareness	12	3.9
Partial Aware	44	14.2
Fully Aware	254	81.9
Total	310	100.0

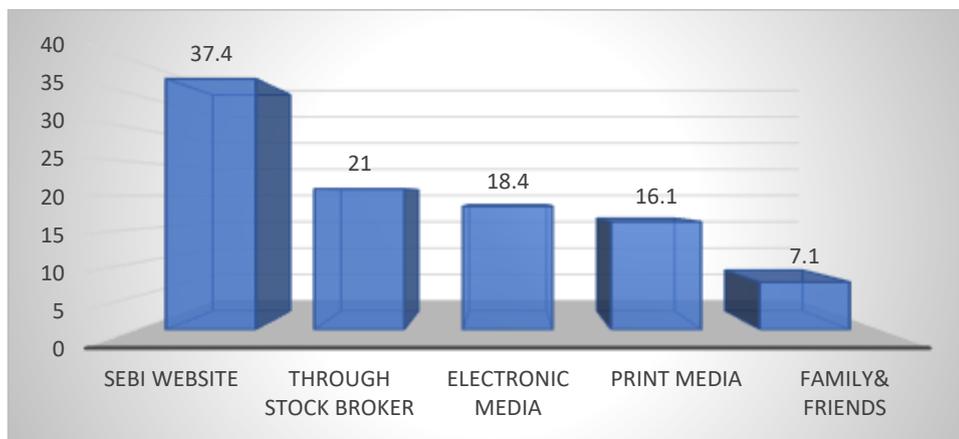


**Figure 3: Awareness of SEBI Complaints Redress System (SCORES)**

According to Table 3, investors are generally aware of the SEBI Complaints Redress System (SCORES). Of these, 81.9% are completely knowledgeable, 14.2% have some knowledge, and 3.9% have no idea what SCORES is.

**Table 4: Sources of Awareness of SEBI Complaints Redress System (SCORES)**

Particulars	Frequency	Percent
SEBI website	116	37.4
Through Stock broker	65	21.0
Electronic Media	57	18.4
Print media	50	16.1
Family & Friends	22	7.1
Total	310	100.0

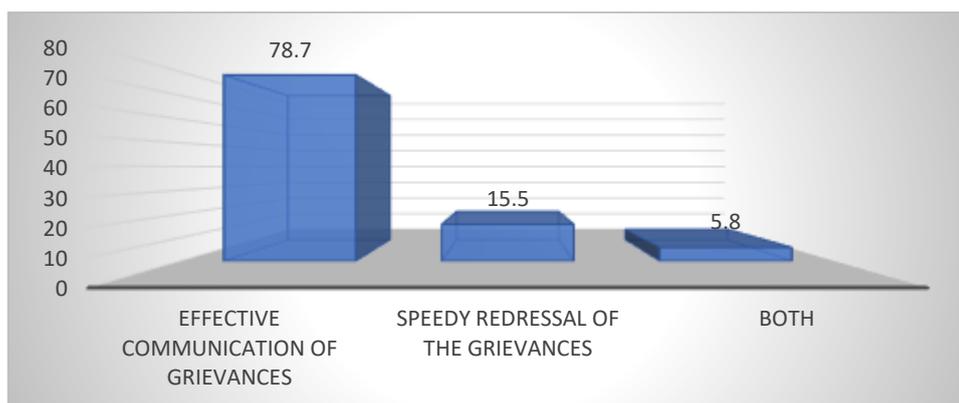


**Figure 4: Sources of Awareness of SEBI Complaints Redress System (SCORES)**

Table 4 tries to provide light on where people heard about the SEBI Complaints Redress System (SCORES). Out of 310 investors surveyed, 37.4% got their information from the Securities and Exchange Board of India (SEBI) website, 21% from stock brokers, 18.4% from electronic media, 16.1% from print media, and 7.1% from personal networks.

**Table 5: Benefits of SEBI Complaints Redress System (SCORES)**

Particulars	Frequency	Percent
Effective communication of grievances	244	78.7
Speedy redressal of the grievances	48	15.5
Both	18	5.8
Total	310	100.0

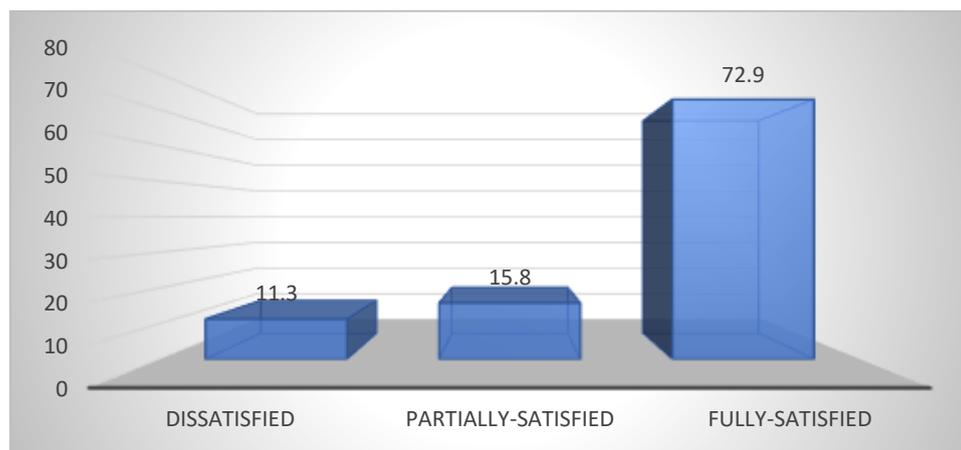


**Figure 5: Benefits of SEBI Complaints Redress System (SCORES)**

According to table 5, the vast majority of investors (78.7%) believe that SEBI Complaints Redress System (SCORES) is useful for effective communication of grievances, while 15.5% think it is useful for speedy redressal of grievances and 5.8% think it is used for both.

**Table 6: Satisfaction with SEBI Complaints Redress System (SCORES)**

Particulars	Frequency	Percent
Dissatisfied	35	11.3
Partially-Satisfied	49	15.8
Fully-Satisfied	226	72.9
Total	310	100.0



**Figure 6: Satisfaction with SEBI Complaints Redress System (SCORES)**

According to the results, 72.9% of people are completely satisfied with the SEBI Complaints Redress System (SCORES), 15.8% are somewhat satisfied, and 11.3% are not happy with it at all.

**Table 7: Association between Gender and Level of Awareness of SEBI Complaints Redress System (SCORES)**

	Value	df	Asymp. Sig. (2-sided)	Table Value
Pearson Chi-Square	113.8	2	.000	6.002

As can be seen from the table, the crucial table value (6.002) is significantly lower than the computed Chi-square value (113.8). A correlation between gender and SCORES knowledge exists ( $p < 0.05$ ), suggesting that this is a statistically significant relationship.

**Table 8: Association between Gender and Level of Satisfaction with SEBI Complaints Redress System (SCORES)**

	Value	df	Asymp. Sig. (2-sided)	Table Value
Pearson Chi-Square	.057	2	.971	6.002

A comparison with the crucial table value (6.002) reveals that the computed Chi-square value (0.057) is significantly lower. Satisfaction with the SEBI Complaints Redress System (SCORES) is not significantly correlated with gender ( $p > 0.05$ ), suggesting that there is no such connection. This suggests that investors' levels of satisfaction are not significantly different by gender, and that respondents generally had low levels of satisfaction with the SCORES method.

## V. CONCLUSION

According to the results, SEBI's efforts to spread knowledge about SCORES have been successful, since the majority of investors have a good understanding of the grievance resolution procedure. When it comes to educating investors, the SEBI website and stock brokers are crucial. Most respondents were quite satisfied with the SCORES system, and the data shows that investors generally see it as a good place to voice their complaints and get them resolved. Although there is a notable gender gap when it comes to knowledge levels, investors' happiness with SCORES does not differ considerably based on gender, suggesting that everyone thinks the system works.

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