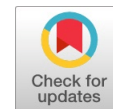


# The Sebi Role in Creating Awareness about Investor Protection and Education

Girish Kumar Painoli, Shaik Abdul Mazeed, Nagaraja.P.



**Abstract:** *Colossal expansion in the monetary market tasks, unusual expands in the awareness levels of the clients about the monetary items and the dangers related with them, mounting up of the quantity of monetary fakes, strategies that the organizations use to procure benefits, and numerous different components become the test for the endurance of the monetary and capital business sectors all around. A need emerged for the monetary controllers to present the idea of Investor Protection and Investor Education to shield their wellbeing. The monetary emergency likewise had underlined on the conspicuousness of the monetary mindfulness and security to cradle financial backers from the market disturbances. Indian economy is perceived as the most dependable one for interests in various roads because of its solid legal executive framework. Financial backer assurance is significant for any venture. Something else, no market can support and develop. Protections and Exchange Board of India is a market controller of India as we probably are aware and one of its goals is to teach and secure the financial backers. Likewise, SEBI is perceived as the most regarded controller among the controllers in India. Since 1992, SEBI as an independent body making rules and guidelines and modifying them according to the changing business sector elements and securing financial backers fretfully till now. Regardless of every one of its endeavors, there are a few holes between financial backer insurance and financial backer fulfillment. The current examination is a portrayal of a coordinated writing audit with trustworthy referring to, and ends that were drawn from various coherent creek of speculations identifying with the investigation "Financial backer Protection: Awareness among Professionals."*

**Keywords:** SEBI, Investors, Protection, Awareness, Education, Capital Markets, Economic Growth

## I. INTRODUCTION

Investors are usually considered as backbone of any economy. In any case, tragically, investors have been abusing in India for different reasons. The Securities and Exchange Board of India Act, 1992 is an Indian enactment sanctioned by the Parliament of India for guidelines and improvement of the protection market in India. It was altered in the years 1995, 1999, and 2002 to meet the necessities of changing requirements of the protection market. The Preamble of the Securities and Exchange Board of India portrays the essential elements of the Securities and Exchange Board of India as "...

to ensure the interests of Investors in protections and to advance the improvement of, and to control the protections market and for issue associated therewith or coincidental thereto".

In spite of the fact that SEBI has established a demonstration to secure the financial backer, it isn't up to the degree of Investors fulfillment. In this setting we have recognized a hole between financial backer insurance rules and Investor's complaints. The current investigation is to know the client's mindfulness about the Investors security Act and furthermore financial backer fulfillment against insurance. Since its initiation, SEBI has been working on focusing on the protections and is taking care of the satisfaction of its goals with admirable enthusiasm and smoothness. The enhancements in the protection markets like capitalization necessities, margining, the foundation of clearing organizations, Demat, and so on decreased the danger of credit and furthermore diminished the market hazard. SEBI has presented the complete administrative measures, endorsed enrollment standards, the qualification models, the code of commitments and the set of accepted rules for various middle people like, financiers to issue, trader investors, agents and sub-intermediaries, recorders, portfolio directors, credit score offices, guarantors and others. It has outlined by-laws, hazard distinguishing proof and hazard the board frameworks for Clearing places of stock trades, reconnaissance framework and so forth which has made managing in protections both protected and straightforward to the end financial backer. Another huge occasion is the endorsement of exchanging stock files (like S&P CNX Nifty and Sensex) in 2000 [1].

A market Index is an advantageous and powerful item due to the accompanying reasons: It goes about as a gauge for market conduct; It is utilized to benchmark portfolio execution; It is utilized in subordinate instruments like file fates and Index choices [2]. Two wide methodologies of SEBI is to incorporate the protections market at the public level, and furthermore to broaden the exchanging items so that there is an increment in number of merchants including banks, monetary establishments, insurance agencies, shared assets, essential sellers and so forth to execute through the Exchanges [3]. In this setting the presentation of subsidiaries exchanging through Indian Stock Exchanges allowed by SEBI in 2000 is a genuine milestone. SEBI has appreciated accomplishment as a controller by pushing foundational changes forcefully and progressively (e.g., the fast development towards making the business sectors electronic and paperless moving settlement on T+2 bases

Manuscript received on April 21, 2021.

Revised Manuscript received on April 28, 2021.

Manuscript published on April 30, 2021.

\*Correspondence Author

**Dr. Girish Kumar Painoli**, Professor, School of Commerce Studies, Jain University, Bangalore.

**Shaik Abdul Mazeed\***, Assistant Professor, Dr. B. R. Ambedkar Institute of Management and Technology, Baghlingampally-500044. Email: mazeed22@gmail.com

**Dr. Nagaraja. P.**, Associate Professor, Dr. B. R. Ambedkar Institute of Management and Technology, Baghlingampally-500044.

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an [open access](https://creativecommons.org/licenses/by-nc-nd/4.0/) article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>)

## II. REVIEW OF LITERATURE

Calcagno, et al., (2017): In request to ensure the inadequately educated financial backers encouraging the monetary information and working with the examination between monetary items by normalized and concentrated data is powerful [4]. Ravi Singhania and S Venkatraman (2015) they directed an investigation on SEBI Vs Investors Protection and they tracked down that the Section 11 of the Securities and Exchange Board of India Act 1992, which came into power from 13.01.1992 states that it will be the obligation of the Board to ensure the premium of the financial backers in protections and to advance the improvement of and to manage the protections market by such measures as it might suspect fit [5]. Since over 15 years have passed since the Act came into power instead of the Capital Issues (Control) Act, which was annulled in the wake of the strategy of progression declared by the Government, a survey is called for with regards to how far the obligation of ensuring the premium of financial backers or improvement of the Capital Market is satisfied by SEBI [6]. Advertisers bunch who advances the endeavor and face the challenge of immense speculations, and being in the control of the organization ought to have investigated the danger of their speculations and don't need any training from any administration supported establishment or SEBI for starting into their endeavors [7]. The certified institutional financial backers, as the actual name demonstrates, are establishments, reserves, banks, and so on who are capable to make speculations without the direction of one or the other government or any administration supported body [8]. The retail financial backers who are currently permitted to contribute up to Rs. 1.0 lac in a public offer additionally are equipped for looking for monetary guides for their ventures. Henceforth, the little investor is the lone financial backer who requires the consideration and insurance of an Organization like SEBI to withstand the changes of the market variances or the controls on the lookout [9].

Wasiak, (2013): For making the financial backer security movement itself more straightforward, planning an administrative methodology by anticipating the possible monetary outcomes and executing a trustee standard to the greatest advantage of the client standard is compulsory [10]. As referenced by the Financial Planning Coalition which addresses monetary arranging associations these guardian norms outlined need not be in agreement with some other standards and can essentially be practical [11].

Hsu, et al., (2011) In an examination done on almost 34 created and creating economies to discover the connection between the monetary development and monetary advancement it was surprising to find that there are numerous odds of improvement of the economy in nations which had more grounded financial backer assurance laws [12]. That implies a severe law will empower financial backer certainty which prompts monetary development in which financial development is more obvious [13].

Kudva(2011): To upgrade the profundities of the business sectors and encourage the monetary dependability a successful financial backer insurance structure is fundamental [14]. Nonetheless, with the expanding intricacy of the monetary items and market unpredictability tending to the dangerous blend of incorrect spelling of the items and monetary mindfulness, which has influenced the financial

backers trust throughout the long term, turns into a boundary for making this system. Monetary development alone can't address the issue of monetary proficiency in India. It is characteristically connected with the financial backer security structure that should be an all-encompassing cycle covering the financial backer rights, financial backers' inclinations, debate settlement components and the development of the business [15].

Bhattacharya (2011): Ignorance being the common conduct among numerous financial backers shows that numerous financial backers are in a deception of information about speculations [16]. It was found in the new examination work on monetary schooling in US that until a reasonable utility-based learning is embraced for instructing financial backers the maintenance of the information that is acquired in going to the mindfulness projects will stay low [17].

Shah (2011): Understanding that Indian financial backers however great savers lose hard-brought in cash because of absence of comprehension and information about monetary business sectors and items, has repeated the way that financial backer training is a joint obligation and a nonstop interaction [18]. Seeking after the objective just by arranging them and confining them to papers yet by making an environment of trust and authorizing the laws through discipline is the need of great importance [19].

Wang, et al., (2010): closed from their examinations that there exists a negative connection between financial backer assurance and data deviation [20]. They demonstrated how higher data evenness prompts proficient corporate administration, broadness profundity of Capital market, and financial development of the country and furthermore how financial backers will pay more for protections [21].

Boychuk (2009): It was tracked down that the degree of financial backer security shifts over the long run, all throughout the planet and straightforwardly or by implication relies on the construction of political and legitimate dynamic, the formative phase of the economy, corporate designs predominant in the economy, just as the financial exchange waves and crashes [22].

## III. OBJECTIVES OF THE STUDY

1. To realize the mindfulness level of the SEBI Act among the financial backers
2. To know the degree of mindfulness grumbling instrument accessible to financial backers
3. To recognize the exhibition of financial backer security rules set by SEBI
4. To recognize the fulfillment level of financial backers about assurance measures under taken by SEBI
5. To check the presentation of financial backer instruction programs

## IV. METHODOLOGY

The study proposes to take up three districts in the state of Andhra Pradesh i.e., Vizag, Guntur, Kurnool [23]. The judgmental and purposive sampling is used to pick the sample respondent units and respondents therein [24].

Thus, all together the study proposes to have



sample units with 150 Investors respondents

## V. RESULTS AND DISCUSSIONS

**Table-1: Age wide classification of sample respondents**

Sl. No.	District	Sample	Less than 25	%	25-35	%	35-50	%	Above 50	%
1	Vizag	50	8	16%	11	22%	27	54%	4	8%
2	Guntur	50	4	8%	25	50%	18	36%	3	6%
3	Kurnool	50	5	10%	33	66%	12	24%	0	0%
Total		150	17	11%	69	46%	57	38%	7	5%

It is seen that there is a critical contrast between the general age bunch reactions to singular regions' reaction. Both Guntur and Vishakhapatnam have announced most elevated

level of reaction from 25 to 35 age bunch than some other class, yet though in Vizag it occurred with 35 to 50 age bunch.

**Table-2: Occupation wide description of sample respondents**

Sl. No.	District	Sample	Govt. Sector	%	Private Sector	%	Business	%	Agriculture	%	Others	%
1	Vizag	50	11	22%	18	36%	5	10%	5	10%	11	22%
2	Guntur	50	17	34%	7	14%	20	40%	2	4%	4	8%
3	Kurnool	50	3	6%	29	58%	15	30%	0	0%	3	6%

The private area representatives 'interest in securities exchange ventures is more than some other kind [25]. Be that as it may, commonly, in Guntur area, financial specialists are contributing more than private area

representatives with critical distinction. It is additionally seen that horticulture-based individuals are nil towards financial exchange interest in Kurnool

**Table-3: Family income wide classification of sample respondents**

Sl. No.	District	Sample	Up to 10000	%	10001 To 25000	%	25001 To 40000	%	40001 To 75000	%	75001 and above	%
1	Vizag	50	4	8%	10	20%	20	40%	15	30%	1	2%
2	Guntur	50	2	4%	8	16%	15	30%	25	50%	0	0%
3	Kurnool	50	6	12%	11	22%	13	26%	18	36%	2	4%
Total		150	22	15%	42	28%	48	32%	52	35%	3	2%

It is seen that higher pay individuals are away from corporate shares among every one of the areas. A big part of the rate financial backers is putting resources into securities

exchanges whose pay class is 40001 to 75000 than some other class.

**Table-4: Are you aware about share transfer facility?**

Sl. No.	District	Sample	No	%	Yes	%	Not Sure	%
1	Vizag	50	14	28%	28	56%	8	16%
2	Guntur	50	11	22%	22	44%	17	34%
3	Kurnool	50	10	20%	32	64%	8	16%

**Table-5: Have you ever faced any problems regarding DEMAT account?**

Sl. No.	District	Sample	No	%	Yes	%
1	Vizag	50	36	72%	14	28%
2	Guntur	50	45	90%	5	10%
3	Kurnool	50	50	100%	0	0%
Total		150	131	87%	19	13%

**Table-6: How an investor can lodge a complaint with SEBI?**

Sl. No.	District	Sample	www.scores.gov.in	%	Direct visit to SEBI	%	Letter to SEBI	%	All of the above	%
1	Vizag	50	12	24%	12	24%	26	52%	0	0
2	Guntur	50	22	44%	18	36%	10	20%	0	0
3	Kurnool	50	23	46%	3	6%	24	48%	0	0
Total		150	57	38%	33	22%	60	40%	0	0



## VI. CONCLUSION

In a nation like India where populace is exceptionally high it is extremely off-base to expect that everybody is monetarily proficient. Straightforwardness, financial backer instruction are the watchwords that each administrative body is utilizing to secure the financial backers. However, as referenced prior assuming the financial backers don't think about these instruments and systems, the entire reason for financial backer security, complaint redressal component goes into the notch. It was found in numerous investigations that it is frequently the knowledgeable and the big-time salary bunches that are influenced by the tricks. Each time another embarrassment springs up, new systems are made, and new laws are made failing to remember the old ones. Likewise, for a large portion of it no framework was indicated. In spite of every one of these with the new government and new monetary conditions there are tremendous opportunities for the Indian Government to mediate in all such undesired exercises occurring in the country and improve the state of affairs. It was additionally tracked down that the laws that were planned by the administrative bodies are likewise not accurately and successfully authorized and put into utilization for protecting the interests of the financial backers. All things considered, else past this must be included, at that point it would be about the organizations' specialists and the systems. In the event that the nations without anyone else set norm for their reality and progress, if the actual organizations observe their guidelines to the greatest advantage of the general public and the country, at that point there is no necessity of the administrative specialists as such to secure the financial backers. Indeed, even the financial backers should co-work with the public authority and comprehend the significance of thinking about their obligations, rights and duties as a financial backer. There ought to be an endeavor from every one of the three players of the protections market in redesigning the monetary states of the country. The top to bottom exploration study had given the analyst numerous smart bits of knowledge that are exceptionally promising and enabling. Taking everything into account it very well may be informed that how much at any point may be the accessibility and profundity of the speculation alternatives and insurances, they are of little consequence if not joined with satisfactory information and mindfulness or more all morals and cultural worries. The sanctioning of the SEBI Act inside the setting of different rules, for example, the Companies Act, Depositories Act and Securities Contracts Regulation Act has given a solid administrative system to the Indian market. Accordingly, a large part of the development of the Indian market can be ascribed to the vigorous cycles for issuance, evaluating, apportioning and posting of protections empowered by SEBI. Reinforcing SEBI's force in the analytical, authoritative and lawful parts of authorization would empower it to expediently address legitimate difficulties, for example, those looked during dematerialization or exposure necessities. Later on, SEBI ought to receive more straightforwardness to acquire higher public certainty.

## REFERENCES

1. Agnihotri, A., 2013. legalservicesindia. [Online] Available at: <http://www.legalservicesindia.com/>.
2. Aguilar, L. A., 2015. Effective Regulatory Oversight and Investor Protection Requires Better Information. s.l., Harvard Law School Forum on Corporate Governance and Financial Regulation
3. Babu, K. J. & Naidu, D. S., 2012. Investor Protection Measures by SEBI. Arth Prabhndh: A Journal of Economics and Management, 1(8), pp. 72-80.
4. Balakrishnan, M., 2011. Investor Awareness and Protection- Enabling Financial Inclusion. Bank Digest September, September, pp. 32-35.
5. Bebcuk, L., 2009. Investor Protection and Interest Group Politics. Harvard Law School Forum on Corporate Governance and Financial Regulation.
6. Bhattacharya, J., 2011. Investor Awareness and Protection. Bank Digest September, September, pp. 10-12.
7. Black, B., 2008. Are Retail Investors Better off Today? Cincinnati: University of Cincinnati.
8. BSE & smc, 2009. Towards Investor Awareness and Protection. s.l., BSE Investor Protection Fund.
9. Calcagno, R., Giofre, M. & Urzi- Brancati, M. C., 2017. To trust is good but to control is better: How investors discipline financial advisors' activity. Journal of economic Behavior & Organization, Volume 140, pp. 287-316.
10. Chung, H., 2005. "Investor Protection and the Liquidity of Cross-listed Securities: Evidence from the ADR Market, Taiwan: Graduate Institute of Finance, National Chiao Tung University.
11. Financial Daily, 2001. The Hindu Business Line. [Online] Available at: <http://www.thehindubusinessline.com/>.
12. Giehler, T., 2013. Regional Conference on Investor Protection in Capital Markets. Mumbai, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
13. Goel, G., 2007. Opinion: business today. [Online]
14. Goyal, A., 2006. Regulation and de-Regulation of the Stock Market in India, UK: Edward Elgar.
15. Gu, X. & Kowalewski, O., 2016. Credito rights and the corporate bond market. Journal of International Money and Finance, Volume 67, pp. 215-238.
16. Guiso, L. & Jappelli, T., 2004. Awareness and Stock Market Participation. CSEF - Centre for Studies in Economics and Finance – University Of Salerno.
17. Gupta, L. C., 1991. Indian Shareowners- A Survey. Society for Capital Market Research and Development, New Delhi, p. 144.
18. Hsu, P.-H., Tian, X. & Xu, Y., 2011. "Financial Development and Innovation: Cross-Country Evidence. University of Rhode Island.
19. Hughes, J. P., 2009. Corporate value, ultimate control and law protection law protection for investors in Western Europe. Management Accounting Research, Volume 20, pp. 41-52.
20. Joint Parliamentary Committee, 2001. The Report of the Joint Parliamentary Committee (JPC) (2002) on Stock Market Scam, s.l.: Government of India.
21. Kar, P., 2000. Corporate Governance and the Empowerment of the Investors. Hong Kong, ADB/OECD/WORLD BANK.
22. Klapper, L. F. & Love, I., 2003. Corporate governance, Investor Protection, and performance in emerging markets. Journal of Corporate Finance, Volume 10, pp. 703-728.
23. Kothiya, D. K., 2012. Investors' Protection and Role of SEBI as a Regulatory Agency. Issue 2.
24. Kudva, V., 2011. Financial Education and Consumer Protection. Bank Digest September, 8 September, pp. 5-9.
25. La Porta, R., Lopez-de-Silanes, F., Shleifer, A. & Vishny, R., 2001. Investor protection and corporate valuation. The Journal of Finance.

## AUTHORS PROFILE



**Dr. Girish kumar painoli**, M.Com, MBA, MPhil, UGC-NET, Ph.D. Professor-School of Commerce Studies Jain University, Bangalore. His M. Phil and Ph. D-in the areas of Commerce and Business Management. His current research interests include -Accounting, Finance, Banking and Business Management. He has a blend of Teaching and Research experience of 24+ years. He had worked as an educator with different Government Universities and Ministries in Ethiopia and Sultanate of Oman for approximately 6 years.

He also worked in India and held in various capacities of Academic, Research and Administration for 18 years. He has attended 7 International and 20 national seminars, conferences and workshops. He has 17 Articles and 2 books to his credit. He has guided various projects at Graduation and Post-graduation levels.



**(Dr.) Shaik Abdul Mazeed**, MBA, APSET, (Ph.D.), Working as an Assistant Professor in Dr. B. R. Ambedkar Institute of Management and Technology, Baghlingampally, Hyderabad. He has a decade experience in Teaching, Research and Industry. Presently he is pursuing his Ph. D from Yogi Vemana University, YSR Kadapa, Andhra Pradesh. He holds

MBA degree with a dual specialization in Human Resources Management and Finance from Osmania University. His areas of interests are Operations, Finance and HR. He has more passion in publishing research articles. He published 12 research papers in Scopus-Indexed journals. Besides he has 33 articles to his credit which are published in various national and international journals/conferences. Apart from teaching, he held several administrative positions like, Coordinator-ED Cell, Coordinator for Patents and Copyrights, in charge Exam branch.



**Dr. Nagaraja Pandukuri**, MBA, IRPM, M. Phil, Ph.D. Working as an Associate Professor and Vice Principal in Dr. B. R. Ambedkar Institute of Management and Technology, Baghlingampally, Hyderabad. He has 15 years of experience in Teaching and Research. Presently He holds Ph.D. degree with Marketing Specialization from JNTU-A, Ananthapuramu, Andhrapradesh. His areas of

interests are Marketing and HR. He has more passion in publishing research articles. He published 22 research papers in reputed UGC journals. Apart from teaching, he held several administrative positions like, HOD, R&D Coordinator, in charge of the Exam branch.