EFFECTIVENESS OF SEBI MEASURES TOWARDS INVESTOR PROTECTION- A PERCEPTUAL ANALYSIS OF RETAIL AND INSTITUTIONAL INVESTORS ON EDUCATION AND AWARENESS

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Abstract: *On part of awareness and education the institutional investors mulled as well informed investors compared to small retail investors. Consequently less education, financial literacy and awareness of retail investors' cohort have caught the attention of supervisory authorities in major financial centres. Extant research is based on the survey of 500 retail and 6 domestic institutional investors of Karnataka state and helps to develop investor perception index. The study also helps to determine regulatory performance index based on 20 regulatory measures of Securities Exchange Board of India (SEBI).*
Merely implementing the policies regarding investor education and awareness is not enough instead SEBI has to collect direct feedback from investors to know the concrete effects of such programmes on them. Additionally, for easy and effective reach the SEBI has to use latest Social Medias like Facebook, twitter, You Tube to educate and aware investors about market hazards and even on contemporary regulatory measures against those misconducts. Ultimately study finds that institutional investors perceived more positively as compare to retail investors on regulatory measures in amplifying investor education and awareness in Indian capital market. On the part of performance of regulators, functioning of one regulatory measures significantly impact on the overall performance of the regulators. Hence SEBI need to play its better role in function of each and every regulatory measure. To this end it is possible to give justice to "law in action instead of law in book".

Key Words: *Domestic institutional investors, Retail investors, Education, Awareness, Investor perception index, Regulatory performance index, Facebook, twitter, You Tube*

1. INTRODUCTION:

Globally investor protection practices have been characterised by private enforcement efforts and public enforcement efforts. The countries adopting private enforcement of investor protection could possible via adopting private liability rules like strong disclosure requirements, resolution of investor disputes within corporate etc., without third party intervention (i.e. regulators, courts etc.), whereas in major developed countries (USA, UN etc.) who adopt public enforcement effort via institutional mechanism that means allowing the intervention of lawsuits of regulators and SROs of capital market to protect investors interest and to build investor confidence[1]. The public interest theory of regulation has defined that the government intervention influences if the private agents not considering the public interests. For instance if market failures due to monopoly or market power, asymmetric or imperfect information and the existence of externalities or of public goods are the main reason for government intervention [2]. LLSV (1998, 1999) documented that the good investor protection should (a) free from political interference (b) delivers the value to the outside shareholders (c) limiting expropriation of outside investors rights (d) secure information from issuers and market participants and (e) impose actions. Fortunately Indian capital market is structurally strong with the institutional setup for investor protection [3; 4]. Indeed SEBI and other government ministry are the primarily responsible for maintaining well sophisticated regulatory environment at Indian capital market. Even though the government or regulatory intervention would provide strong legislation environment, the investors' protection in practice is commendable. At this time the research question arises whether the investor protection prevailing in securities market is law in action or simply a law in book.

Undeniably the investors promised with current earnings and capital appreciation, only if the elements like trust, guidance and regulations are steadily exist in the capital market among [5]. Indeed it is the responsibility of regulator to maintain confidence in the financial system, and protect users [2]. Since last few decades in Indian securities law the concept of investor protection is gradually switchover to investor empowerment. In case of former, the investors apparently get off from market misconducts to some extent with poor legislative and regulatory measures and having limited awareness on regulatory actions to take against wrongdoers. In case of latter the scope of investor protection further nucleus with the concept i.e. "empowerment", with pack of commanding regulatory measures to ensure protection of investor interest along with educating them about possible market hazards and create awareness about regulatory action prevailing in law to protect them.

Besides it is important to evaluate the behaviour of investors towards regulatory measures protecting them. Indeed the investor behaviour is merely a magnitude to analyze the effectiveness of investor protection in any domain. Hence the regulators have to thoroughly analyze the changing investor behaviour to cope up with their policy initiatives before implementing any kind of regulatory measures. Most of the law and financial commentators linked investor behavioural model to investor protection regulations, which evoke several critics against type of legislation that the country need to adopt. It is admirably said by Prof. Sehgal that the better regulatory framework does influence "Investor Sentiment" especially with regard to legal provisions relating to corporate governance and investor grievance redressal mechanism [6]. Further, Schwartz viewed that the behaviour and satisfaction of retail investors have significant implications for regulators [7]. This approaches another research question that whether the investors perceived positively or negatively with contemporary regulatory measures towards investor education and awareness.
Considerably the Investors are a heterogeneous group. This group is formed with large Institutional investors, High Net worth Individuals and retail investors. Amongst these the institutional investors like banks, Mutual Funds (MFs), Insurance Companies etc are the common domestic investors who invest predominantly satisfy ultimate beneficiaries or clients. Whereas the retail investors are considered as small individuals; investing for personal benefits. At this stage one more question raises, whether all kinds of investor's interest are balancing even-handedly under the scale of justice?

All these research questions impulse to raise new research avenue, which could possible to answer these questions in a better dimension. The attempt is made with this research work to dig the answer from both previous literature reviews and present empirical analysis. Researcher considers this work interesting and relevant for the following reasons. Firstly, by determining the investor perception index helps to analyse the satisfaction level of both retail and domestic institutional investor towards effectiveness of regulatory measures on investor education and awareness. Secondly, in order to evaluate the regulatory measures functioning even handed between all groups of investors, extant study examines who is positively perceived over SEBI measures on investor education and awareness. Thirdly to facilitate the prevailing practices of law in action over law in book in Indian capital market study endeavours to establish regulatory performance index by using twenty regulatory measures.

2. LITERATURE REVIEW:

This section gives an overview of domestic as well as global legal practices towards various aspects of investor protection and also trying to grounding how domestic legislation efforts are forward or lag behind towards global standards. Several research works are conducted in this area. These works vary widely in terms of their objectives and scope. Among the available literatures, the important ones having a bearing on the present research area are reviewed here.

For better analysis of different facets of investor protection the literatures are reviewed based on the following dimensions:

2.1 BEHAVIOURAL FINANCE AND SECURITIES LEGAL IMPLICATIONS

Behavioural finance is the basic concept of financial studies; hence there is a need to canvas major conceptual and empirical studies of legal and financial researches went on this area. Among those, important literatures are quoted here:

(Cohen, Zinbarg, & Zeinbarg, 1987), in this book the authors pointed out the individual and institutional investor behaviour and attitudes based on their individual needs and institutional objectives. Most of the studies which authors pointed out indicated that not only individual but also institutional investors do not manage their portfolio effectively. That is, investors do not construct or manage their portfolios in a manner that reflects their attitude towards risk, nor do they recognise the likely financial consequences of disappointing investment performance. Hence this could be done through effectively by adopting modern portfolio theory [8].

(Rashid & Nishat, 2009), analysed the behaviour of retail investors of Bangladesh on the l regulatory framework. The authors had conducted a survey of 300 retail investors trading in 25 brokerage houses located in Dhaka city. This study was attempted to test the relationship between the satisfaction of retail investors and the structural efficiency of the market. Further authors pointed out the view of Schwartz, that the behaviour and satisfaction of retail investors have significant implications for regulators. Regulators should initiate necessary actions to make available better investment analysis, quick transaction processing, correct information and regular marketing and investor education programs. The regulators should run marketing campaigns to reduce the level of uncertainty carried by retail investors in developing countries [7].

(Sehgal, Sood, & Rajput, 2009), determined the factors that have a decisive bearing on investor sentiment and also attempts to find the relationship between investor sentiment and stock market performance. According to authors the investor sentiment analysis would helpful in following manner:

- To develop a comprehensive Investor Sentiment Index

- It is significant impact on policy and optimal investment decision-making implications.
- The sentiment traders' and arbitrageurs' behaviour may support regulation, taxation or education of these investors to avoid adverse economic effects.
- This information will also be important to regulators as they have to realign their policies according to global financial models. [6]

(Burke, 2009), described different investors behavioural models. Under rational expectations model the investors presumes that corporate insiders and securities professionals would not hesitate to lie, cheat or steal the market. If the legal system lacks effective external constraints, the rational expectations investor will withdraw from the market, refusing to invest. On the other hand the under the trusting investor model the investor has faith that at least some people are trustworthy. This behaviour generally is based on past positive experience. If a person has behaved cooperatively and honestly in the past, the trusting investor assumes that the other person's behaviour will continue into the future. Trusting investors expose themselves to betrayal and fraud at least once, in contrast to the rational expectations investor. According to Prof. the most retail investors in financial markets behave as trusting investors [9].

(Cohen, Webb, Nath, & Wood, 2010), had placed increased attention on the corporate disclosure of non-financial information. This study used a survey of 750 retail investors to examine perceptions about indicators of economic performance; corporate governance policies and performance; and corporate social responsibility. Survey results indicated that retail investors currently are most concerned with economic performance information, followed by governance, and then corporate social responsibility information [10].

(Devi, 2012), attempted to analyse the perception of retail investors on Indian Capital Market. The author pointed out that now-a-days the investors are rational and analyzing the market trends by equating risk- return trade off. Investors considering the following factors in investing portfolios: Corporate governance, Industry profile, Issue price, Liquidity, Information received, Market conditions, Infrastructure, Regulatory framework and Merchant Banker's image etcAuthor suggested that the regulatory framework must be strict and stringent against all un-ethical practices. Investors must allow accessing all the information on the market and trust shall not be reduced [11].

2.2. Investor Problems and Fraudulent Activities in Securities Market

The important areas that the regulators need to take painstaking steps to curb those malpractices to protect investor community are: i. insider trading; ii. vanishing companies; iii. price manipulation. Following are the few important research works contributing on investor problems:

(Chandrasekhar, Sarat, & Akriti), criticised the treatment of Indian regulation on the protecting the interest of the retail investors. Unfortunately only institutional and high net worth individual investors are largely responsible for increases in the volume and value of transactions. While criticising the function of SEBI, authors point out that even though SEBI has built and strengthened its market monitoring and regulatory apparatus by achieving the significant success in increasing transparency and reducing market manipulation and fraud, increase the retail investor participation is not satisfactory. As for as the prevailing perception is that the individual or small retail investor are considered less important in the market. There is no constant definition for retail investors in Indian capital market [12].

(Goyal, 2004), found reason for the basic market failures in 2008 crisis on Indian capital market and attempt to evaluate reform proposals after the crisis. According to him the major reason for crisis are volatility and procyclicality, information failure, exclusion, market power and size. According to author crisis was the lesson for emerging markets to give priority to the development of domestic markets by ensuring stability by paying attention to incentive structures and macroeconomic systemic effects, and rely on competition and technology to improve inclusion [2].

(Suchismita Bose, 2005), Author made a comparative analysis of SEBI and SEC measures towards malpractices such as price manipulation and frauds in India and US respectively. These market misconducts not only cause substantial financial loss to investors but also disable the orderly functioning of securities markets and the efficient allocation of investible resources of the economy. Based on empirical evidence the author examined that SEBI was unable to establish price manipulation in any single scrip allegedly manipulated. There was evidence that it is easier for SEBI to take action as against intermediaries. When it comes to insiders like company directors and major players in the market it is not possible for SEBI to take proper action. Noticeably in US the civil enforcement by the SEC has proved to be an extremely powerful tool against insider trading [13].

(Armour, Deakin, Sarkar, Siems, & Singh, 2008), investigates three main hypotheses. First, on the basis of the new data on shareholder protection, authors investigated the legal origin hypothesis in both its strong and weak forms. The second, countries' greater legal protection of shareholders is associated with higher levels stock market development. Third, companies in common law countries finance their growth more from external sources and particularly from the stock market, than from internal sources [14].

(Avgouleas, 2009), investigates limitation of European regulatory failures to cause global financial crisis. The global financial crisis has exposed the many limits of disclosure as an effective regulatory tool in financial markets. First, the famed disciplining power of the market failed to constrain disastrous risk taking by banks. Second, most of the risks that led to the creation of the 2008 catastrophe were often fully disclosed but the markets failed to understand them. In the case of banks, disclosure-based market discipline failed mainly because of the implicit government guarantee. In the case of capital markets, the reasons for disclosure's failure were product complexity and the impact of socio-psychological factors. Finally author argues that the EU needs to re-examine the role of disclosure in two contexts: prudential regulation of banks and retail investor protection. EU policy-makers should use empirical and experimental studies before any reform of the investor protection framework [15].

(Mohanty), developed a corporate governance index by using nineteen measures of corporate governance. Further he assigned unequal weights to all 19 measures. In order to assign weights he divided over all measures into positive-form, negative-form and neutral-form. For negative-form measures, he assigned higher negative weights compare to positive-form measures. Here the author combined all measures into one composite measure to develop corporate index. The author started this study with the stance that the basic objective of an institutional investor is to maximize its own shareholders' wealth and not to monitor the activities of the companies in which it has invested. Ultimately he found that companies with good financial performance have actually performed better compared to companies with poor governance records. He further noticed that the corporate mis-governance is not a fault of the institutional investors. However, being dominant shareholders, they are performing active role in the affairs of the company [16].

(Sabarinathan, 2012), examined the role of SEBI measures in respect of primary and secondary market. He viewed that the continuing disclosure regime under the Companies Act that was in force prior to the establishment of SEBI suffered from three principal shortcomings (i) low frequency, at once a year (ii) insufficient and poorly administered deterrents against non compliance; and (iii) a common set of disclosure obligations for companies with limited as well as widely distributed ownership. SEBI has been appreciated with its regulatory framework is fairly comprehensive in its coverage of the securities trade, but also not free with the criticism of its work [17].

(Venugopal, Sudarsan, & Himachalam, 2012), explored various problems faced by small investors in primary market, secondary market and with stock brokers, this is because of their gullibility. They found that investors are unaware of major regulatory measures to protect them against those problems. Most of the investors are known the regulators like RBI, MCA, SEBI etc but their knowledge on their function is limited. They are unaware about the grievance redressal system handling by the different regulators. They are also confused in which regulator handling which kind of grievances. They concluded that the market participants and companies should recognize that the gullibility of the investors is not a sign of their strength but the result of the weakness of the system. Hence the market participants should reciprocate positively to the efforts taken by the authorities in letter and spirit and avoid delays caused by protracted legal procedures. Only then Indian capital market will be on par with other developed markets of the world [18].

(Babu & Naidu, 2012), viewed that the SEBI's Investor Protection measures gave mixed results. On the positive front, many banks sponsored mutual fund had launched assured return schemes and attracted more number of investors. When they failed to fulfil the promise to those investors, SEBI gave directive to sponsor bank to honour the commitment made by the mutual funds, which cost the sponsor banks over Rs 2000 crores. SEBI has introduced a ASBA facility in public issue. In this process the application money shall remain blocked in the bank account till finalisation of the basis of allotment in the issue or till withdrawal / failure of the issue or till withdrawal / rejection of the application, by initiating the safeguards of both issuing company and the investor. The study further revealed that investor education campaigns achieving positive results to some extent, but not fully. This indicates that Indian investors gradually stay away with the market, which calls for immediate attention of the apex body to frame and effectively implement the measures to protect the interests of small investors, and restore their confidence in the stock market [19].

(Ajit, Malik, & Nautiyal, 2014) evaluates the role and efficacy of SEBI's SCORES securities dispute resolution system using the three attributes of a good dispute resolution system: accessibility, efficiency and fairness. Further the authors was compared the Indian securities disputes resolution system with other countries securities disputes resolution system and with other Indian financial dispute resolution systems like Ombudsman model in Banking industry and resolution mechanism used by IRDA and PFRDA. Lastly they concluded, the good records on the progress of SCORES increased the reputation of regulators in the market to some extent, although not fully because it is not fully accessible to overall market due to unawareness of investors about SCORES, with the use of social media approach it can be possible to educate and communicate on latest developments in the regulations of the securities market [1].

2.3 Investor Empowerment through Investor Education and awareness

Investor education and awareness is considered as significant aspect of investor protection. Following are the some important works conducted on financial literacy and education of investor:

(Rooij, Lusardi, & Alessie, 2007), evaluated the importance of financial literacy by studying its relation to the stock market and attempts to find answer to the question: Are more financially knowledgeable individuals more likely to hold stocks? To better understand financial literacy and its relation to financial decision-making, the authors had devised two special modules for the DNB Household Survey. They had designed questions to measure numeracy and basic knowledge related to the working of inflation and interest rates, as well as questions to measure more advanced financial knowledge related to financial market instruments like stocks, bonds, and mutual funds [20].

(Jariwala & Sharma, 2011), describes the importance of financial education and role of regulators in developing the same. According to authors as financial markets become more sophisticated and households assume a growing share of the responsibility and risk for financial decisions, financial education is necessary to ensure sufficient levels of investors and consumer protection as wells as the smooth functioning of the financial markets. Creating financial literacy can play a critical role in equipping the consumers with the information, fundamental knowledge, and skills to evaluate their options and enables them to understand the implications of alternative financial decisions. Through this paper, authors would explain risk deriving from financial illiteracy, importance of financial literacy and need to create and develop financial literacy at the micro and macro levels [21].

(Almenberga & Dreberb, 2011), explored the link between the gender gap in stock market participation and financial literacy. The study also used standard measures of financial literacy, by distinguishing between basic and advanced financial literacy, and by using a random sample that was broadly representative of the entire adult population.

The authors were conducted the survey on a random sample of 1,300 individuals of the Swedish population. The study showed that:

- By controlling for basic financial literacy, essentially a measure of numeracy that does not require knowledge about the stock market, may explain a large part of the gender gap in stock market participation.
- The women report being less risk taking than men. This gender gap in risk attitudes remains significant also when controlling for financial literacy.
- Women typically participate less than men in the stock market, while also scoring lower on financial literacy [22].

(Madem & Subbarao, 2014), made an attempt to analyse the gap between the investor protection measures and investor satisfaction level on the SEBI role. For this purpose the authors collected data from 150 investors of three Districts- Srikakulam, Vizianagaram, Visakhapatnam. But here we can find that the authors only concerned with judging the awareness level of investors and there is a paucity of data regarding the perception or satisfaction of investors towards investor protection measures by SEBI. According to this study most of the investors are unaware about SEBI efforts like-free workshop facilities, complaining SEBI against some broker and companies misconducts etc [23].

(Jadhao, 2015), analysed various myths of public on share market. According to this study only selected social communities like Jain, Guajarati, Marwari, Brahmin etc have knowledge of investment in share market. Whereas, other communities people have lot of myths on share market i.e., it is only for rich people not for poor, only lucky people will get a success in it, it is a fast track to become rich, it is a way of destroying their financial stability, they should have huge money to invest in it, it is a gambling and any gambling is harmful for the society. Hence many people think they should not invest in it share market is not suitable for a proper investment. Due to this myths and misunderstanding, the psychology of investors get adversely affected and they think negative about the share market [24].

3. RESEARCH GAP:

Investor Protection is a widely studied area. There were lot of law and financial academic research work and policy reports available at domestic as well global perspective. There is a lacuna in those studies which would point out here:

- Most of the studies on behavioural finance were done at global context and very few at domestic level. None study was conducted on retail investor satisfaction or perception on major aspects of regulatory measures. On the part of institutional investors perception most of the studies went on corporate governance as specific not regulatory measures.
- Apparently most of the studies conducted at global and domestic perspective determining the retail investor financial literacy level and effect of some demographic factors on financial literacy. But none of the studies are either conceptual or empirical available in studying the role of SEBI on educating investors through awareness program, campaigns towards market misconducts, new policy initiatives etc.
- However, most of the studies have focused on the nature and extent of problems faced by the investors. The performance of regulators is not studied to the desired extent as evidenced by the review of literature.

Hence the present study is considered as most unique in nature and able to answer extent research questions and assert the objectives as follow:

- To analyse the consequences of investor education programmes-by studying perception of retail and institutional investors
- To determine investor perception index and regulatory performance index

4. RESEARCH HYPOTHESIS:

H1: with respect to SEBI measures towards enhancing investor education and awareness both retail and institutional investors are perceived negatively
H2: On the part of investor education programmes by SEBI institutional investors perceived more positively compare to retail investors
H3: There is an association between type of regulatory measures and whether or not SEBI performed all the 20 measures

5. METHODOLOGY:

5.1 DATA COLLECTION

In order to fulfil the objectives of the study both primary as well as secondary data had collected and analysed. The primary data was collected through conducting survey among retail individual investors and large domestic institutional investors.

The secondary data was collected primarily from various websites of SEBI, MCA, World Bank, NSE and BSE. On the other hand the secondary sources of secondary data include Acts, Regulations, Guidelines, Books and Journals, working papers, and annual reports of SEBI. In order to prepare regulatory performance index the SEBIs' regulatory measures were accessed more frequently from both primary and secondary sources.

5.2 STUDY PERIOD

The study was conducted in respect of secondary data during the period of 2011-12 to 2015-16, whereas the survey was conducted in the year 2016.

5.3 SURVEY INSTRUMENT

The primary data had been collected through well-structured questionnaires. The questionnaires were pre-tested and inputs validation was done by market experts and some officials in the field of finance for ensuring the appropriateness of questionnaire structure. The questionnaires drafted in the form of close ended and statement wise aspects of SEBI measures. Considerably the five point likert scale is used to analyze satisfaction level of both retail and institutional investors on SEBI measures.

The questionnaires to some retail investors were distributed directly, some through post and some circulated through e-questionnaires by using Google form and sent to their respected e-mails. At the same time questionnaires to institutional investors were distributed directly by visiting their head offices existed in Karnataka.

5.4 STUDY DESIGN

The study is based on the descriptive research design. Under this the study considered two methods, i.e. Survey and Case study. The survey facilitates to understand the perception level of retail investors and institutional investors on SEBI measures towards amplifying investor education and awareness in Indian capital market. Based on the satisfaction level of investors the perception index is found by comprising the output of different items of questionnaire relevant to the SEBI measures on enhancing investor education and awareness. On the other hand the case study method is used to analyse the present regulatory performance to find regulatory performance index.

5.5 TARGET POPULATION

- The group of literary individual investors who invested in Indian capital market through NSE and BSE and spread over in Karnataka state
- The Domestic Institutional investors in Karnataka state

5.6 STUDY POPULATION

- The literary retail investors who invested in Indian capital market through NSE and BSE and spread over in twelve major cities of four division of Karnataka.
- The Institutional investors having head office in Karnataka.

5.7 SAMPLE SIZE AND METHOD

This study was based on the input from 500 retail investors of 12 major cities of Karnataka. Totally 12 major cities of four divisions of Karnataka were selected for the purpose of covering retail investors to the survey. Convenience sampling is used to select samples of retail investors. Whereas the domestic institutional investor is concern, the institutions which are registered and having head offices in Karnataka were taking in to consideration. Noticeably only 9 banks including public sector Banks and regional rural banks have head office in Karnataka. Only 6 among them are the major institutional respondents.

5.8 INDEX FORMATION

The study attempt to find out two types of index: i. Investor Perception Index, and ii. Regulatory Performance Index. These two index are developed for parallel analysis of confidence level of retail and institutional investors on the regulatory enforcement (i.e., Investor perception index), with the performance of various measures of shareholder protection taken by SEBI (i.e., Regulatory performance index).

5.8.1 INVESTOR PERCEPTION INDEX

The Index consists of several items, each item considered as single variable. By using IBM SPSS, the each variable comprised to form a single index. Considerably the index is formed separately for both retail and institutional investors. As the responses are analyzed in the form of ordinal scale, the higher the index indicates higher level of satisfaction of the investors towards SEBI measures. Here the independent t-test is used to analyse and compare the individual and institutional investors' perception on SEBI measures towards investor education and awareness. Further the one sample t-test is used and test value is set at 70 points. It denotes that if the mean value of retail and institutional investor perception is equal or more than 70, the investors perceived positively towards SEBI measures over enhancing investor education and awareness, or vice versa.

5.8.2 REGULATORY PERFORMANCE INDEX

In order to emphasizing the crucial role played by the SEBI, the study claimed to cover the various aspects of investor protection including public enforcements like fines, prison and other criminal actions on defaulter of securities law prevailing to protect the interest of the investors in Indian capital market. Here to address these concern of regulatory performance the researcher develop measures of investor protection taken by SEBI, directly aimed at the preventing market misconducts and investor education and awareness efforts. The performance of SEBI is analysed based on the twenty measures taken by SEBI in the period of five years starting from 2011012 to 2015-16. The following are the regulatory measures used to analyse the regulatory performance of SEBI:

Table 1: Regulatory Performance of SEBI

Sl.No	Regulatory Measures	Source
1	Whether there is a provision regarding standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and the management's perception of risk factors.	Companies Act, 2013 and SEBI (ICDR), 2009 as amended till 2016
2	Whether there is a provision regarding disclosing of RPTs to the shareholders	Companies Act, 2013 and SEBI (ICDR), 2009 as amended till 2016
3	Whether the KMP are made responsible for non-compliance of accounting standards and the procedure for preparation of financial statements.	Companies Act, 2013 and SEBI (ICDR), 2009 as amended till 2016
4	Whether the fine and imprisonment period increased for non-compliance of disclosures	SEBI Act, 1992 as amended till 2016
5	Whether the misstatement in prospectus is treated as criminal liability as well as civil liability and punishable under Indian securities law	Companies Act, 2013 and SEBI Act, 1992 as amended till 2016
6	Whether there is a provisions regarding review and approval requirements for related party transactions	Companies Act, 2013 and SEBI (PIT) Regulation ,2015
7	Whether it is required that an external body, for example, an external auditor, review the transaction before it takes place.	Companies Act, 2013
8	Whether it is required that an external body, for example, an external auditor, is responsible to report instances of fraud to the central authority within prescribed time framework.	Companies Act, 2013
9	Whether there is a provision of penalisation (both fine and imprisonment) and punishment (i.e., debarring, suspension from trading and dealings in its own and/or other securities in the market, cancellation of registration etc.) for such violators of regulation of capital market.	Companies Act, 2013, SEBI (PFUTPR),2003
10	Whether there is a regulation to address shareholders ability to sue and hold directors liable for self-dealing and misuse of corporate assets and create conflict f shareholder interest.	Companies Act, 2013, SEBI (PIT) Regulation ,2015, SEBI (PFUTPR),2003
11	Whether there is regulation to shareholders to access to evidence and allocation of legal expenses in shareholder litigation	Companies Act, 2013,

12	Whether number of investor education and awareness are increasing year by year	See table:
13	Whether those programmes Covering tier1 cities	SEBI Annual reports and SEBI Budget Statement 2011-12 to 2015-16
14	Whether there is any helpline services available for investors	SEBI Annual reports 2011-12 to 2015-16
15	whether SEBI Using mass media compagaign to educate investors	SEBI Annual reports 2011-12 to 2015-16
16	whether SEBI using Regional languages to aware and educate investors	SEBI website
17	whether SEBI promoting financial literacy at School education	SEBI website
18	Whether there is provision to maintain separate fund to utilise to educate and aware investors	Companies Act, 2013, SEBI (IEPF) Regulation, 2009
19	whether IEPF expenditure increasing year by year	See table:
20	Whether there is seperate regulation to regulate and organise such fund	Companies Act, 2013, SEBI (IEPF) Regulation, 2009

The above table shows the different measures consider under securities law, which are used to evaluate the SEBI regulatory performance prevailing in the Indian securities law. The each measures mentioned in the above table are considered as single variable to assert whether that measures are available in Indian securities market or not. If it exist and followed by the Indian capital market regulator SEBI, we assigned the score is equal to 1 or otherwise equals to 0. After determining the scores this allows to calculate regulatory performance Index by comprising each variable into one single measure by using SPSS.

6. FINDINGS AND ANALYSIS:

Table 2: One Sample t-test (N=506)

H0:with respect to SEBI measures towards enhancing investor education and awareness both retail and institutional investors are perceived positively							
Test Value = 70							
Mean	Standard Deviation	Standard Error Mean	Mean Difference	t-value	df	P value (2-tailed)	Decision
69.0435	13.53668	.60178	-.95652	-1.589	505	.113	Accept Null Hypothesis

The table assert the perception level of both retail and individual investors towards SEBI measures on enhancing investor education and awareness. Consequently the result claim to accept H0 as the p-value more than 0.05 and indicates that both retail and institutional investors are positive towards SEBI measures on enhancing investor education and awareness in Indian capital market.

Table 3: Independent t-test for Equality of Means

H0: On the part of investor education programmes by SEBI retail investors perceived positively compare to institutional investors									
Group	N	Mean	Std. Deviation	Standard Error Mean	Mean Difference	t-value	df	P value (2-tailed)	Decision
Retail Investor	500	68.8400	13.44887	.60145	-17.16000	-3.113	504	.002	Reject null hypo
Institutional investor	6	86.0000	10.35374	4.22690					

The above table depicts that the p-value is less than 0.05 and to reject the null hypothesis. Thus signifies that with respect to SEBI measures on investor education programmes domestic institutional investors perceived more positively compare to retail investors.

Table 4: Chi-square Test for Analysis of Regulatory Performance Index

H0: There is no association between type of regulatory measures and whether or not SEBI performed all the 20 measures					
Categories	Frequencies	Percentage	X^2-value	p-Value (2-tailed)	Decision
Yes	13	65	15.68	.00	Not sig.
No	7	35			
Total	20	100			

The above table indicates statistical analysis of SEBI performance based on the functioning of 20 regulatory measures with two categorical variables (i.e., yes, no). Noteworthy 65% of the regulatory measures are law in action only 35% are law in book. That means among selected regulatory measures of Indian securities law more than half of them are in practice and remaining are only exist in books.

Consequently the p-value is less than .05, hence we reject null hypothesis and accept alternative hypothesis. That means there are suggestive evidence that there is an association between type of regulatory measures and performance of regulatory measures by the SEBI. It indicates that each regulatory measures depends on the performance of over all regulatory measures, if SEBI fails to perform any one of regulatory measures it negatively affect on other regulatory measures and vice versa.

7. POLICY INITIATIVES:

Even though the contemporary securities policies driven towards investor education and awareness, most of the retail investors are not satisfied with the effort of SEBI towards enhancing investor education and awareness. Institutional investors on the other hand who considered as sophisticated investors are basically having strong investment knowledge are more positive towards regulatory measures. Initially the weakest segment of the investor, i.e retail investors not getting enough regulatory attention and concerns in policy implications. Apparently individual investors are losing their confidence over SEBI measures in protecting their interest in the capital market. Hence market regulator SEBI has to consider the investors' perception on its regulatory performance while executing policy initiatives. Subsequently analysing investor perception and sentiment on its regulatory performance like amplify investor education and awareness certainly supports present concept of investor empowerment merely investor protection.

Furthermore the regulatory performance is concern there is a need for research work for in-depth analysis of regulatory function in investor protection. Following are the some recommendation considered to suggest on SEBIs' policy initiatives:

- Nowadays investment thoughts often abuzz in social medias, hence SEBI could use social networks like twitter, facebook, for educating investors for easy reach and quick result instead merely using older methods. Moreover the ads dealing with investment education and awareness should be telecast in all channels with local languages like other commercial advertisements, instead only in business news channels. This would not only help present investors to get educate and aware but also helps prospective investors to have knowledge before investments.
- SEBI could fund the financial and securities law experts using video-sharing websites like YouTubes and other android Apps for educating investors regarding market abuses and empowering them with legislative and regulatory support against wrong doers. This would even help to collect feedback of investors on latest regulatory measures and answer their questions.
- Compare to investors of other major economic centres Indian retail investors and domestic institutional investors have less investment profile and easily become a victim of market misconducts. Hence SEBI need to cope up with those international standards by joint co-ordination with International Organisation of Securities Commissions (IOSCO)
- The regulators have to consider both individual and institutional investors behavioural implications on market, so as to pioneer good policy implementations in the area of investor protection. Besides, the investor educational programmes are need to structure based on the behavioural consideration. Hence there is a need for such a continuous research which could help for frequent analysis of investor perception on regulatory performance. The SEBI has to support such research work even at academic level by funding and award the good work.
- Merely implementing the policies regarding investor education and awareness is not enough instead SEBI has to collect direct feedback from investors to know the concrete effects of such programmes on them.
- Considerably SEBI mentioned that it's allowing graduate students to SEBI head offices and branch offices for completing their projects and distributing study materials regarding financial literacy to schools and colleges.

Along with this SEBI has to jointly collaborate with Universities and colleges to conduct projects and develop syllabus to increase financial literacy in every domains of education.

- Institutional investors are considered as sophisticated and well informed investors compare to retail investors. Professionally they are experts of financial transaction and not easily cheated by the market panics and would able to protect themselves. Hence the regulators with the cooperation of institutional investors can able to educate individual investors by organising educational programmes and workshops. This would help to create healthy environment for both segments of investors/
- Like other committees it is better to set up separate committee to look after to induce investor education and awareness.
- The regulatory performance index is better indicator to examine function of regulator in the area of investor protection. Hence there is a need for such index to appreciate or to criticise the role of regulators in all aspects of investor protection.
- As the performance of one regulatory measures significantly impact on performance of other regulatory measures, SEBI need to give its better role in functioning each and every regulatory measure.

8. CONCLUSION:

The regulators have to consider both individual and institutional investors behavioural implications on market, so as to pioneer good policy implementations in the area of investor protection. However investor perception index is the better indicator of behavioural analysis of any segment of investors. Here in this study both retail and institutional investors collectively perceived positively on SEBI measures towards enhancing investor education and awareness. Nevertheless particularly retail investors are perceived negatively on those measures. Noteworthy retail investor needs more attention from regulators on investor education and awareness. The domestic institutional investors are considered as professionally well knowledgeable, sophisticated and informed investors. Hence the SEBI has to deliberate its policy initiatives towards retail investor education as compare to institutional investors.

At the same time the study determine the regulatory performance index to examine function of regulator in the area of investor protection. Logically such index helps to appreciate or criticise the role of regulators in all aspects of investor protection. On the part of performance of regulators, the study documented that functioning of one regulatory measures significantly impact on the overall performance of the regulators. Hence SEBI need to play its better role in function of each and every regulatory measure. Moreover among selected regulatory measures of Indian securities law more than half of them are in practice and remaining are only exist in books. Hence it necessitate to give justice to "law on investor protection should be in action rather law in book".

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