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Study Of Investors' Perception Towards Working, Role Played And Effectiveness Of SEBI With Reference To Investments In Primary Market

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ABSTRACT

The Primary market is most important aspect of the capital market. The investor is the backbone of the capital market. Their hard money is utilized for the development of the industrialization .Their satisfaction is the most important. The primary markets are the most important constituents of the capital market. There is more dependency on this market for raising maximum resources for capital formation and balanced and diversified industrial growth in the country. Therefore a vibrant, healthy effective and smooth functioning of this market is very crucial from the point of view of the economy.

The primary market in India is now well organized and activated and buildup in terms of sophistication expertise and innovative marketing strategies . Primary market is a mechanism through which resources of the community are mobilized and invested in shares, debentures and bonds where investors may directly apply for the allotment of securities.

The investors may also view primary market to yield substantial returns. Bearing this in mind the investors' perception towards SEBI's working also may affect the investing decision. The effectiveness of SEBI and its role played in the primary market also is considerable in investing from individual investors view point.

The process of the new issues is to the investment in the real capital. The cost of new issues sometimes is very high and the legal institutions merchant bankers Lead managers, bankers to the issue and the underwriters has been significant in making new issues a success. The SEBI has issued guidelines to all intermediaries for better working and protecting the interest of the investors .This paper tries to see that what Perception of the individual investors towards working ,role played and effectiveness of SEBI on the primary market.

Keywords: SEBI, CCI, BSE, PSE, NSE, OTCEI, UTI, ROC, OTCEI, AMC.

INTRODUCTION

A] PRIMARY MARKET

Primary market is also known as the new issue market. The main role of this market is to facilitate the transfer of those, who have require the funds either to set up new undertaking or expand, modernize and diversify the existing business. In this market, the supply side is represented by the investors or the investing community and demand side is represented by the companies/ institutions issuing the new securities the community includes household or individuals. With the help of the new issue market, the saving is channelized in to investment. The new issue market is very important and indispensable for the economic and industrial development of a country, since it connects the savings and investments activities. In the primary market, there are different agencies to perform the various functions effectively like merchant bankers, registrars to issue, underwriters, bankers to an issue advertisement to the issue etc

B] ROLE OF THE PRIMARY MARKET

The main role of the new issue market is to facilitate the transfer of funds of those, who have saving and are willing to invest in business which requires the funds either to set up new undertaking or expand. Modernize or diversity the existing business. Different types of securities are issued in the Primary market these include:-

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Equity shares, Preference Shares, Convertible Debentures, Non Convertible Debenture. Private sector and Public Sector bonds, Warrants which entitled the holders to get shares in the future, Government papers or securities ,Deposits by both private and public sectors. Deposit by both private and public sectors, Mutual funds units, Global depository receipts (ADR) and Commercial papers [CP].

C] AGENCIES FUNCTIONING IN THE PRIMARY MARKET

In a developed new issues market there are specialist agencies to perform the various functions efficiently. These agencies include:-

- Registrar of Companies
- Securities and Exchange Board of India (SEBI)
- Promoters of New Companies
- Merchant Bankers
- Issuing Houses
- Brokers
- Underwriters-Registrar to the issue
- Bankers to the issue
- Issue advertising agencies

REVIEW OF LITERATURE

The SEBI rules require intermediaries to register themselves and to follow the code of conduct laid down by SEBI. This has brought more transparency in the working and in the accountability of the different intermediaries has had impact on the investor the primary market. Several research studies pertaining to the different aspects and dimensions of the effectiveness of the SEBI for services rendered by intermediaries have been conducted in India .In the following way an attempt is made to present a brief survey of research of this type conducted by the researchers in the recent past. By carrying out of a survey of the individual's investor, the Researcher has tried to examine the SEBI's impact on the functioning of the intermediaries.

A] Baron and Holmstrom (1980) noted that it is observed that investment bankers exploit their superior information regarding market conditions to underpriced new issues, thereby allowing companies to spend less effort on marketing the issue and gain the goodwill of potential clients. In 1980s and 1990s, there was an increasing realization on the part of the policy planners in India that an efficient and well developed IPO market is essential for sustained growth in an emerging economy like India. Accordingly, extensive reforms have since been taken for the IPO segment of Indian market, inter alia covering reforms in the legislative framework, trading mechanisms, institutional support, etc. As a result, IPOs have emerged as one of the major source of funds for Indian companies as well as an important avenue for common investors to channelize their savings for higher return. An analysis of the trends in the IPO market in India shown that although, there are fluctuating trends, and this market will continue to remain an important source of funds in India.

B] Rock (1986) distinguishes between informed and uninformed investors. If the issues are underpriced, the IPOs will be oversubscribed by informed investors as limited number of shares would be available to uninformed investors. If the issues are overpriced, the IPOs will be sold exclusively to uninformed investors who will earn negative initial returns. Thus, uninformed investors will be winning the entire issue but at an unfavorable price, creating a situation termed as the winner's curse. In order to keep uninformed investors in the IPO market, securities are offered at a discount from their expected listing price. According to the winner's curse theory, the IPO under pricing will decrease if the information asymmetry gap between informed and uninformed investors is reduced.

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C] Pandey Ajay (2004) study based on a sample of 84 Indian IPOs from the period 1999 to 2002 concluded that the fixed price offerings are used by issuers offering large proportion of their capital by raising a small amount of money. The initial returns were found to be higher and more uncertain on fixed price offerings and all types of Indian IPOs in our sample under performed in the first two years subsequent to listing. The IPOs from issuers belonging to industries under the spell of "hot issue" market, showed a result of under-performance more

D] Kakati (1999) studied the performance of IPOs that came in the market during January 1993 to March 1996 and concluded that the short run under pricing is of 36.6% and in the long-run overpricing is40.8%.It is analyzed that IPOs of January, 2001 to August, 2011, most of the stocks have generated listing profits whereas in long term most of the companies have underperformed compared to market returns

E] Bagga, Khurana & Singh (2012) advised three strategies for investors when investing in an IPO - a) Sell all the allotment on listing day itself, b) Partial profit booking on listing and rest holding for long term and c) holding for a period of more than 5 years. As per Jotwani and Singh (2011) subscription rate of the IPO plays major role only in short run. Investors may try to analyze the demand-supply situation of the IPO before investing, which has little significance in the long run. They also mentioned the objective of the IPO showed its significance only in the long run, i.e., five years after the IPO.

F] Gupta (1981) in an extensive study titled `Return on New Equity Issues' states that the investment performance of new issues of equity shares, especially those of new companies, deserves separate analysis. The factor significantly influencing the rate of return on new issues to the original buyers is the `fixed price' at which they are issued. The return on equities includes dividends and capital appreciation. This study presents sound estimates of rates of return on equities, and examines the variability of such returns over time.

RESEARCH GAP

Number of studies has been conducted by the various researchers on investor's problems and grievances in the primary market. Some of the important studies are mentioned in the review of the literatures. But these studies are not confined to a particular places or particular problems or stock exchanges. Most of the survey is not related to Stock exchanges. Investment of pattern of the Pune and Ahmednagar cites are very large. . The perception of the pune and Ahmednagar investees' are different as compared to other parts of the country. The real development of the primary Market depend upon the trust of the investors and proper disciplined to the different intermediaries.

Therefore the study of investor's perception towards working, role played and Effectiveness of SEBI is very essentials.

RESEARCH METHODOLOGY

A] OBJECTIVES OF STUDY:

The Objective of the study is as under:-Every study based on some clearly defined objectives. Objectives decide the all over framework of any study. The main objective of this study is to capture the trends, activities and Movements of the Indian primary Market. The present study "based on following objectives:

1. To Study the role of Primary Market in detail.
2. To understand the working and importance of primary market intermediaries.
3. To Study the effectiveness of SEBI for solving the problems of the investors in the primary market.
4. To understand problems faced by the individual investors in the primary market.

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RESEARCH DESIGN

This Research paper aims at examine the role played, and working of the intermediaries in the in the primary market. Particularly effectiveness of the SEBI to solve the problem of the individual investors.. The data was collected through by administering a structured questionnaire from 200 individual investors of the Pune and Ahmednagar city .The Researchers has also collected the secondary data from various sources like reference book, economic survey, research journals and web sites to supplement the primary data. The data collected with the help of questionnaire was tabulated and then analyzed with the help of some simple statistical tools.

SCOPE OF THE STUDY

The scope of the study are summarized as follow:-

1. The scope of the present study is confined to the geographical limits of Pune and Ahmednagar city.
2. The period of 3 years was selected for conducting the research.
3. The researcher have selected the sample 200 individual investors in, pune and Ahmednagar city.
4. The researcher has selected the sample by random sampling method.
5. The finding of the study were based on the primary as well as secondary data.
6. This research study aims at examining the Effectiveness of SEBI regulating the primary market in most effective manner and giving justice to the individual investors.

HYPOTHESIS

The hypothesis of the present study are presented as follows

1. CCI was a failure in controlling and developing the primary market.
2. SEBI has partially succeeded in regulating the primary market.
3. Individual investors are satisfied on the services provided by intermediaries.

LIMITATIONS OF THE STUDY

1. The survey was non probability sample in nature.
2. This survey includes only individual investors and not the institutional investors.
3 The survey assumes that, the impact of SEBI on stock exchanges can be studied from the survey of individual's investors, it is possible that, certain aspect of the working of the stock exchanges, which have been influenced by SEBI may not have a direct impact on the individual's investors.
4. The study is limited only Pune and Ahmednagar city.

DATA ANALYSIS AND DISCUSSIONS

Personal bio data of respondents

Total number of respondents covered by the survey: 200

Table No 1:- Classification of research according to age

Age (in years)	Number	Percentage
18-25	27	13.50
26-40	108	54.00
41-60	63	31.00
61- & above	2	1.00
Total	200	100.00

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Table No 2:-Classification of respondents according to sex

Sex	Number	Percentage
Male	179	89.50
Female	21	10.50
Total	200	100.00

Table No.3:- Classification of respondents according to educational qualification

Qualification	Number	Percentage
Non SSC	2	1.00
SSC	26	13.00
Graduate	105	52.50
Post Graduate	44	22.00
Ph.D.	4	2.50
Prof. Degree	15	7.50
Others	3	1.50
Total	200	100.00

Table No.4:- Classification of respondents according to occupation

Occupation	Number	Percentage
Private services	40	20.00
Govt. services	15	7.50
Profession	45	22.50
Business	46	23.00
Retired	8	4.00
Broker	19	9.50
Investor	27	13.50
Total	200	100.00

Table. No.5: - Classification of Respondents According to income group

Income Group (In Rs.)	Number	Percentage
Upto 18000	10	5.00
18001-25000	20	10.00
25001-50000	36	18.00
50001-100000	46	23.00
100001 & Above	88	44.00
Total	200	100.00

GENERAL CHARACTERISTICS OF RESPONDENTS OF THE SURVEY:

1. The median age of the respondents derived was 36 years.
2. The survey had 89.5 percent males and 10.5 percent females as respondents. In the Indian context, it is usually the males who as the household head take the investment decisions.
3. About 52.5 percent of the respondents were graduates or above and 22 percent of the investors were post graduates. This shows that graduate and post graduate have become pre-dominate among the share owners. This also shows that literacy has a positive co-relation with investments in shares and stock
4. About 23 percent of the respondents were in business, about 27.5 percent in services, about 22.5 percent were professionals and 23 percent were brokers and investors about 4 percent were retired.

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5. Number of respondents having income up to Rs. 50000 was 36 percent, respondents in income group from Rs. 50001 to Rs. 100000 were 51 percent, respondents in the income group Rs. 100000 and above were 44 percent.

SURVEY OBSERVATIONS AND CONCULSIONS DRAWN

Questions No: - 1

Table No:-1 Classification of respondents according to their period of experience of trading through stock exchanges

Experiences in year	**Number**	**Percentage**
Less than one year back	1	0.50
More than one year but Less than three years	15	7.50
More than three years But less than five years	25	12.50
More than five years back	159	79.50
Total	200	100.00

Observation:-It is seen from table (1) that 79.5 percent of the individuals investors had more than five years experience of trading through the stock exchanges. About 12.5 percent investor had experience more than three years and less than five years. It shows that majority of the investors had experience of more than five years.

Questions No: - 2

Table No:-2 Classification of respondents according to their general size of shareholdings

Size of shareholdings	**Number**	**Percentage**
Less than 100 shares	10	5.00
101 to 200 shares	20	10.00
201 to 500 shares	61	30.50
501 to 1000 shares	44	22.00
More than 1000 shares	65	32.50
Total	200	100.00

Observation:-It is seen from table (2), that about 32.5 percent of the individuals investors have a shareholdings size of more than 1000 shares. About 30.5 percent have a shareholding size of between 200 to 500 shares. About 22 percent have a share holding size of between 501 to 1000 shares.

Conclusion Drawn: - Indicates 67.5 percent of the individuals investors have a shareholding size up to 1000 shares. About 32.5 percent of the individuals investor have a share holding size of more than 1000 shares

Questions No: - 3

Table No:-3 Classification of investor preference for stock exchanges

Name of the stock exchange	**Number**	**Percentage**
Mumbai stock exchanges (BSE)	159	79.50
National stock exchanges (NSE)	40	20.00
Pune stock exchange (PSE)	1	0.50
Total	200	100.00

Observation:-From the table (3) it is seen that the most preferred stock exchanges by the individual's investors is the Mumbai stock exchanges (BSE) about 79.50 percent. This is allowed by the National Stock Exchange (NSE) which is about 20 percent .this is followed by others stock exchanges (PSE) about 0.5 percent .

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Conclusion Drawn:-

1. Since the survey was carried out at Mumbai, Ahmednagar and Pune , their preference for the stock exchange is restricted to the above three stock exchanges, within the three stock exchanges the most preferred is the Mumbai stock exchange (BSE) this is because
   - It is oldest stock exchange in the country.
   - The number of companies listed are the maximum on Mumbai stock exchange.
   - The sub brokers of the Mumbai stock exchanges has wider reach of the investors thought the country, number of listed companies.
2. The small stock exchange like Pune stock exchange is the least preferred by the investor. This is especially so when the network of brokers and sub brokers of BSE & NSE is well connected.

Questions No: - 4

Table No:-4 Classification of investors according to the level of satisfaction of services rendered by different intermediaries

	Level of satisfaction					
Name of the intermediary	**Most satisfied**	**Moderately Satisfied**	**Less satisfied**	**Not Satisfied**	**Don't know**	**Total**
Merchant bankers	9	121	45	13	12	200
Brokers	78	87	25	9	1	200
Bankers	56	85	44	2	6	200
Registrars	16	66	80	34	4	200
Transfer agents	5	38	76	81	0	200

Table No:-4.1 Classification of services rendered by intermediaries satisfied by responders (in percentage-derivative table)\

Name of the intermediary	**Most satisfied**	**Moderately Satisfied**	**Total**	**Percentage**
Merchant bankers	9	121	130	65.00
Brokers	78	87	165	82.50
Bankers	56	85	141	70.50
Registrars to the issue	16	66	82	41.00
Transfer agents	5	38	43	21.50

Observation: - From the tale (4.1), it is observed that, the investors are more satisfied by the services rendered by brokers (82.5 percent). This is followed by bankers to the issue (70.50 percent). This is followed by bankers to the issue (70.50 percent) merchant bankers,(65.00 percent) registrars to the issue , (41 percent); and transfer agent, (21.5 percent)

Conclusion Drawn:

1 . SEBI has brought out various regulations and guidelines for the brokers for example, brokers are required to keep separate accounts for their clients and for their own transactions. Also the settlement procedure is properly regulated by the stock exchange, this has improved the services provided by brokers, perception of the individuals investors is that they are more satisfied by the overall services rendered by brokers in the capital market. Though various rules and regulations brought out by SEBI the methods& working of the brokers has changed for the better, previously, brokers were more interested in their more transparency, the brokers have been compelled to provide better services to the individuals investors, also the competitions among the brokers has increased, especially after the arrival of foreign broking firms. As a result of this , in the perceptions of individuals investors brokers are providing the best services

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2. The individual's investors are also satisfied by the bankers to the issue, however, the services provided by the bankers to the issue are limited and the individual investors have less cause for dissatisfaction with the bankers.
3. The individuals investors are relatively more satisfied by the working of the merchant bankers, the SEBI guidelines India (AMBI) has improved the working of the merchant bankers
4. The individuals investors are least satisfied by the services provided by transfer agents. Although SEBI has come out with rules and regulations, still there is an inevitable delay in the transfer of shares by the transfer agents. This is also seen from the table where individual investors had stated that, the transfer agents is the least affective in solving investors grievances .

Questions No: - 5

Table No:-5 Classification of investors according to their perception of effectiveness of various agencies in solving problems in the primary market.

	Level of Satisfaction					
Name of the agency	**Most effective number**	**Moderately effective number**	**Less effective number**	**not effective number**	**Don't know number**	**Total**
Company	77	70	22	29	2	200
Stock exchanges	33	78	51	34	4	200
SEBI	66	72	42	17	3	200
Registrars of companies	11	23	79	74	13	200
Brokers	6	46	82	61	5	200
Registrar to the issue	22	33	68	67	10	200

Table No:-5.1 Classification of investors according to their perception of effectiveness of various agencies in solving the investor's grievances in the primary market. (In percentage –derivative table)

Name of agency	**Most satisfied**	**Moderately satisfied**	**Total satisfied**	**Percentage**
Company	77	70	147	73.50
Stock exchanges	33	78	111	55.50
SEBI	66	72	138	69.00
Registrar of companies	11	23	34	17.00
Brokers	6	46	52	26.00
Registrars to the issue	22	33	55	27.50

Observation: -From the table 5.1 it is seen that the companies' effectiveness in solving investor's grievances is about 73.5 percent, followed by SEBI 69 percent, followed by stock exchange 55.5 percent .the registrars to the issue, brokers and registrars of companies are least effective for solving investor's grievances about 27.5 percent 26 percent 17 percent respectively.

Conclusion Drawn:- According to the individual investors, it is the companies which have been effective in solving their grievances in the primary market. This is of course natural because, the grievances of the investors are concerning with the companies.

- According to the individual investors perception SEBI has also been quite successful in helping the investors to solve their grievances in the primary market. SEBI has introduced rules, regulation regarding allotment of shares, time schedule and procedure which is too followed. This has to a great extent helped in solving investor's grievances in the primary market.
- Stock exchanges have also framed the rules which ensure that investor grievances of the investors in the primary market are the delay in allotment of shares and delay in dispatch of share certificates, refund

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orders by the companies, however, stock exchanges have made listing rules such that, the companies are around to dispatch the certificates / refund orders within the time limit.

- The less effective agencies in the individuals investors perception are registrar to the issue , brokers and registrars of company. Of this registrar of companies is a government agency with adequate power to prosecute the companies, still in the individual investor perception it has not been very successful in solving their grievances.

Questions No: - 6

Table No:-6 Classification of investors according to their level of satisfaction regarding SEBI'S ability to solve grievances

Level of satisfaction	**Number**	**Percentage**
Most satisfied	16	8.00
Moderately satisfied	103	51.50
Less satisfied	48	24.00
Not satisfied	32	16.00
Don't know	1	0.50
Total	200	100

Observation:

- It is observed the table (6), that the majority of individuals investors are moderately satisfied by SEBI in its ability to solve the investor grievance(51.50 percent) ,about 8 percent investor are most satisfied by SEBIs ability, about 24 percent are less satisfied , about 16 percent are not satisfied by SEBI ability to solve the investor grievance
- When this analysis was done income wise it is observed from the table (5] that the percentage of investors having income upto Rs. 50000.are substantially or comparatively not satisfied (26.26) percent as compared to the income level Rs. 100000 and above (9.28 percent)

Conclusion Drawn:

- The majority of the individuals investors are moderately satisfied with SEBI ability to solve the investors grievances thus due to the various rules and regulation which SEBI has brought in the primary Market . The investor grievance has been solved to some extent. However , there is a long way to go before investors become fully satisfied by SEBI'S ability to solve investor are moderately satisfied on the role and impact of SEBI.

Questions No: - 7

Table No:-7 Classification of investors according to the intensity of problems faced during CCI and after SEBI

	Perception During CCI					**Perception After SEBI**				
Problems faced by the investors	**Very Serious**	**Serious**	**Tolerable**	**Less problematic**	**Don't know**	**Very serious**	**Serious**	**Tolerable**	**Less problematic**	**Don't know**
Services rendered by brokers	149	18	17	10	6	2	13	43	139	3
Services rendered by companies	136	28	23	6	7	4	21	82	88	5
Transfer of shares/ debenture	131	38	20	3	8	6	22	87	82	3
Receipts of refund orders	126	36	20	10	8	3	29	67	95	6
Receipts of dividend / interest	122	39	18	14	7	8	22	62	104	4
Tine taken in	133	33	22	6	6	3	13	72	108	4

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allotment										
Procedure of allotment of shares	127	41	19	7	6	3	16	81	97	3
Disclosure of risk factors	143	30	12	7	8	7	12	82	94	5
Problems of premium charged by companies	7	12	24	151	6	150	22	15	10	3
Problems of odd lots	138	36	14	6	6	8	21	59	107	5
Price rigging & manipulation	119	51	18	5	7	77	76	3	6	4

Table No:-7.1 Classification of investors according to the intensity of problems faced during CCI and after SEBI.

	Perception During CCI				**Perception After SEBI**			
Problems faced by the investors	**Very Serious**	**Serious**	**Total**	**Percentage**	**Very Serious**	**Serious**	**Total**	**Percentage**
Services rendered by brokers	149	18	167	83.50	2	13	15	7.50
Services rendered by companies	136	28	164	82.00	4	21	25	12.50
Transfer of share/ debenture	131	30	169	84.50	6	22	28	14.00
Receipts of refund orders	126	36	162	81.00	3	29	32	16.00
Receipts of dividend / interest	122	39	161	80.50	8	22	30	15.00
Time taken in allotment	133	33	166	83.00	3	13	16	8.00
Procedure of allotment of shares	127	41	168	84.00	3	16	19	9.50
Disclosure of risk factor	143	30	173	86.50	7	12	19	9.50
Problems of premium charged by companies	7	12	19	9.50	150	22	172	86.50
problems of odd lots	138	36	174	87.00	8	21	29	14.50
Price rigging & manipulation	119	51	50	85.00	7	77	84	42.00

Observation: -From the table [7.1,] it is seen that the perception of the individual investor regarding the intensity of problems faced during the CCI and after establishment of SEBI is as follows:-

1. The intensity of problems of services rendered by brokers during the CCI were about 83.50 percent , whereas after the establishment of SEBI it is 7.5 percent
2. The intensity of problems of services rendered by companies during the CCI was 82 percent, whereas the same problem after establishment of SEBI is about 12.5
3. The intensity of problems of transfer of share during the CCI was 85.5 percent whereas after inception of SEBI it is about 14 percent
4. The intensity of problem of receipt of refund order during the same problem after inception of SEBI it is 16 percent.

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5. The intensity of problems of receipts of dividend/ interest during CCI was 8.5 percent, where, the same problems after inception of SEBI it is 15 percent.
6. The intensity of problems of procedure of allotment of shares faced by investors during CCI was 83.3 percent, whereas, after establishment of the SEBI is 7.5 percent.
7. The intensity of problem of disclosure of risk factors during the CCI was 86.5 percent whereas after inception of SEBI the same problems it is about 9.5 percent.
8. The intensity of problem of premium charged by companies during the CCI WAS PREMIUM CHARGED by company's problem faced by investor after inception of SEBI.
9. The intensity of problems of odd lots faced by investor during the CCI about 87 percent, whereas the same problem faced by investor after establishment of SEBI is 14.5 percent.
10. The intensity of problem of price rigging and manipulation of share prices during the CCI was 85 percent, whereas after inception of SEBI the same problem faced by investor is about 42 percent.

Conclusion Drawn:-

1. During the regime of CCI, the individuals investor had to face several problems this included:-

- The problems of odd lots are created due to companies giving bonus/ rights to existing shareholders which are not in the ration of one is to one.
- Inadequate disclosure of risk factors during the public/ rights issue in the primary market
- Inordinate delay in the transfer of shares/ securities
- Lengthy , non transparent procedure of allotment of shares and securities in the primary market
- In ordinate non transparent procedure of allotment of shares and securities in the allotment of shares and getting back the share certificates/ refund orders from the companies
- Rampant price rigging and manipulation in the secondary market including insider trading
- Purposeful delay in the dispatch of dividend and interest warrants from the companies
- During the CCI regime, the brokers also used to charge high brokerage, their services were not transparent. They used to earn GAL from the investor and stock exchanges were used as a private cloud of services to the investors.
- Thus the individual investors were not satisfied by the services rendered by the brokers during the CCI.
- During the era of CCI, the services rendered by the companies were not up to the mark as mentioned above there were delay in transfer of shares and securities delay in dispatch of dividend/ interest by the companies to the investor etc. Thus the companies did not give important and proper services to the investor during the CCI period.
- One problem which was nonexistent during the era CCI was the amount of premium charged by companies on the public / rights issue. The CCI had a very strict formula for calculating the premium to be charged with the result that, the premium charged was very less, since the premium charged very less was very less specially of god companies invariability on listing of the shares the investors used to make huge profits this was because, there was a big difference between the listed price and price at which the shares/ securities were allotted.

2. After its establishment SEB has out with various rules and regulation over a period of time which has greatly helped to reduce the intensity of the problems faced by the investors .
3. Although, the intensity of most of the problems has reduced, the problems of price rigging and manipulation has not been reduced considerably in comparison to others. Price rigging and manipulation is specially there during the time when there is a right issue or issue of group companies etc. price

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rigging in manipulation is connected with insider trading which is still rampant even after the establishment of SEBI.

4. After establishment of SEBI one problems whose intensity has actually increased is the problem of premium charges by the companies. SEBI has allowed the companies to charge any premium on the public or right issue, however the premium charged has to be justified by the companies and merchant bankers to the issue and it has to be given in the prospectus. However since there is no calculation in an objective manner, the companies are able to get high premium, with a result that, on listing of such securities, in many cases, listed shares prices was mush below the price inclusive of the premium charged by the companies the result was that the individuals investors had to suffer erosion of the amount invested. In fact the problem of premium charged by the companies. The result was that the individual's investors had to suffer erosion of the amount invested.
5. In fact the problem of premium charged by the companies is directly related to the problems of price rigging and manipulation. Most of the companies in order to charge a high premium used to purposely rig and manipulate the stock prices on the stock exchanges, so that, the individual investors were attracted to pay the high premium charged by the companies .

MAJOR SURVEY FINDINGS, IN BRIEF

1. The average experience of the investor covered in the survey is more than five years.
2. The general size of the holding of shares is less than 1000 shares.
3. Investor's inclination is towards less speculation and more of an investment nature.
4. Investors have maximum preference to the Mumbai Stock Exchange (BSE), which is closely followed by National Stock Exchange [NSE].
5. Investors have preference to those stock exchanges which have more transparency, better price realization and more scope for liquidity and volume of trading.
6. Services of merchant bankers, brokers, bankers are satisfactory but the services of registers and transfer agents are not satisfactory.
7. SEBI has been successful in bringing transparency in the dealing of securities, reducing settlement period, reducing the brokerage charged by brokerage, but it has been unsuccessful in encouraging small investors to invest in mutual funds investors education programmers, solving the problem of bad deliveries.
8. In the primary market , the effective agencies for solving investors grievances are the companies and SEBI
9. The investors are moderately satisfied with SEBI regarding solving of investors grievances
10. The investor's perception regarding insider trading is that it has not been eliminated at all.

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