

Regulatory Confidence and Ethical Trading Practices: A Perception Study of Haryana Investors

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Abstract

The Indian stock market has grown quickly, gone digital, and attracted more small and medium investors, including those from semi-urban and rural areas like Haryana. Simultaneously, recurrent allegations of market manipulation, insider trading, front-running, and mis-selling by intermediaries have heightened apprehensions regarding investor protection and market integrity. This study investigates the opinion of investors in Haryana about regulatory confidence—their faith in SEBI, stock exchanges, and other regulatory frameworks—and its correlation with their views on ethical trading behaviors within Indian capital markets. A descriptive and correlational study design will be employed to gather data from individual equity and mutual fund investors in selected districts of Haryana via a structured questionnaire. The paper delineates three principal objectives, accompanied by relevant research questions and null hypotheses, and utilizes suitable statistical methodologies (descriptive statistics, correlation, and regression) to examine the interplay between regulatory confidence, perceived ethical practices, and overall satisfaction. The anticipated results indicate that increased trust in regulatory authorities and understanding of investor protection initiatives correlate positively with favorable views on ethical trading, diminished fear of fraud, and an enhanced readiness to engage in capital markets. The research provides actionable insights for regulators, market intermediaries, and investor education initiatives, particularly concerning the development of a nascent investor demographic in Haryana.

Keywords: Regulatory confidence, ethical trading practices, investor perception, SEBI, Haryana investors, investor protection.

1. Introduction

Traditional investment theories assert that investors seek to optimize returns; nonetheless, multiple studies have demonstrated that individuals frequently exhibit irrational behavior in the face of financial uncertainty. Behavioral finance examines the psychological and emotional factors that affect investing choices, recognizing that cognitive biases like overconfidence, herding, and representativeness frequently skew rational decision-making. These biases result in perceptual inaccuracies and compel investors to make irrational or emotionally motivated decisions that diminish returns. Studies have continuously shown that psychological variables are quite important in how investors make judgments in changing financial markets. For example, investors who are too sure of themselves tend to think they know more than they do and trade too much, which can lead to big losses. Investors who follow market trends blindly, on the other hand, cause stock prices to rise. Research conducted by Metawa et al. (2024) and Parveen et al. (2023) indicates that emotions, overreaction, and herd behavior substantially affect investment outcomes, while demographic factors such as gender, age, and education also influence decision-making processes. Ahmad (2022) observed that dependence on heuristics in uncertain contexts leads to systematic judgment errors, resulting in market overreactions or underreactions. El-Hussein and Abdelgadir (2022) noted that psychological biases endure across many market circumstances and economic contexts. Concurrently, Karmacharya et al. (2023) highlighted herding as a predominant influence among Nepalese investors, who frequently prioritize peer recommendations over independent investigation. Research conducted in the Indian setting, including studies by Shukla et al. (2024) in the Indian Journal of Science and Technology and Jain et al. (2023), highlighted the moderating effect of financial literacy in mitigating the influences of herding and overconfidence biases. Wang and Nuangjamnong (2023) and Quang et al. (2022) emphasized that investor emotions, risk tolerance, and demographic variables such as age, gender, and education significantly influence

financial decisions. Additionally, studies conducted by Hirdinis et al. (2023), Fitri and Cahyaningdyah (2023), and Wibowo et al. (2022) demonstrated that excessive herding and overconfidence impair the quality of investment decisions by distorting risk perception. Saxena & Chawla (2022) and Vaya et al. (2023) additionally correlated demographic characteristics with behavioral biases and fluctuations in investment behavior. These studies collectively indicate that investor behavior is influenced by a combination of psychological tendencies and socio-demographic factors, highlighting the necessity for enhanced awareness and diversification techniques to reduce bias-related risks in financial decision-making. The Indian securities market has changed a lot in the last thirty years. Electronic trading, dematerialization of securities, online investment platforms, and a strong system of regulatory control are only a few examples of these changes. The Securities and Exchange Board of India (SEBI) led these changes, which were made possible by technical advances. They have greatly improved market efficiency, accessibility, and transparency. Even while these reforms are moving in the right direction, problems including insider trading, circular trading, pump-and-dump scams, mis-selling of financial products, and not enough risk disclosure still hurt investor trust, especially among small and retail investors. These dishonest actions not only damage the integrity of the financial system, but they also make people less likely to trust regulatory bodies.

Haryana is one of India's fastest-growing states, having a high per-capita income and being close to the National Capital Region (NCR). It has seen a big increase in investment in stocks, derivatives, and mutual funds. But a large part of the populace in tier-2 and tier-3 cities is still not sure about getting involved in the securities market. This reluctance comes from the belief that there isn't enough information, the fear of fraud, and not knowing enough about how regulatory authorities like SEBI and stock exchanges work and what they do. Regulatory confidence is the level of trust that investors have in these systems. This is a key factor in deciding whether or not they will take risks and participate. Regulatory confidence shows how much faith investors have in the competence of financial regulators to make sure that rules are followed, the market is open, and bad behavior is punished. Ethical trading methods are another part of this. They include being honest when disclosing information, being fair in broker-client relationships, following professional conduct norms, and not engaging in manipulative trading behaviors. These elements work together to affect how investors feel about the securities market, including how safe they think it is, how happy they are with it, and how long they want to stay involved.

In this light, the current study seeks to examine the attitudes of investors in Haryana concerning the efficacy of regulatory procedures and the ethical standards upheld by market intermediaries. The study aims to assess the aggregate impact of these impressions on investors' trust, participation rates, and satisfaction with market operations. This research centers on Haryana, a state representing both economic activity and burgeoning financial awareness, hence enhancing the comprehension of behavioral and regulatory factors that affect investment behavior in semi-urban and developing areas of India.

2. Review of Literature

Jaspreet Kaur's 2024 article, "Investors' Perception Towards Investor Protection Measures Taken by the Government of India and SEBI: An Ordinal Approach" (International Journal of Law and Management), utilizes ordinal regression on survey data to analyze the factors influencing Indian investors' perceptions of protection. She demonstrates that knowledge of SEBI laws, perceived efficacy of grievance resolution, and confidence in prompt sanctions for infractions are substantial positive indicators of perceived protection, whereas superficial familiarity with markets devoid of regulatory comprehension is not. The research addresses trust and regulatory-legitimacy theory, illustrating that perceived fairness and enforcement visibility are as significant, if not more so, than codified law. Kaur says that making it easier to understand regulatory jargon and making it easier to talk about real enforcement actions might

greatly increase regulatory confidence and participation, especially among small equity investors who now regard markets as unclear and dangerous.

Thomas (2023) Renny Thomas's article "Mis-selling Issues and Factors Responsible for Mis-selling in the Financial Services Industry with Special Reference to Insurance Industry: A Theoretical Study" (Review and Practice, 2023) looks at the structural causes of mis-selling in Indian financial services, especially insurance. The research examines post-liberalisation experiences, identifying aggressive sales cultures, intricate products, commission-driven incentives, and inadequate consumer literacy as primary factors contributing to the promotion of unsuitable items to families. Using agency theory, information asymmetry, and consumer protection as his lenses, Thomas says that mis-selling is not only a moral failure on the part of a few agents; it is a systemic problem caused by incentives that are not aligned and insufficient enforcement. The conclusion emphasizes that ethical trading necessitates the reconfiguration of compensation frameworks, the establishment of explicit suitability criteria, and the implementation of more stringent supervisory penalties; otherwise, recurring scandals will persist in undermining small investors' confidence in both intermediaries and regulators.

Agrawal (2023) Kartik Agrawal's law article "Assessing the Efficacy of Retail Investors' Protection Regime in India" (Law and Financial Markets Review, 2023) empirically examines whether India's retail-investor protection framework can endure vulnerabilities such as concentrated promoter shareholding and passive small investors. Utilizing data from leading BSE-30 businesses and a comparative analysis of "borrowed" corporate governance methodologies, Agrawal concludes that formal alignment with global best practices has not eradicated enforcement deficiencies—insider advantage and inadequate redress mechanisms continue to jeopardize regular investors. The study posits, based on law-and-finance and corporate-governance theory, that investor protection is contingent more upon credible enforcement, class-action methods, and institutional capacity than on the existence of complex regulations. The conclusion is really important: India's government makes things more open, but it doesn't completely fix fundamental problems, so investors are still not completely confident in the rules.

Kumar & Preety (2022, Haryana) Dr. Kuldeep Kumar and Ms. Preety examine investment behavior among various social and gender groups in Haryana in their study "Investment Pattern of Different Categories of People in Haryana" (IJCRT, 2022) using survey data. They say that bank deposits, insurance, and post-office schemes make up most of people's portfolios. They also say that fewer people, especially women and people living in rural areas, know about and use higher-risk market instruments like mutual funds, PPF, and industrial stocks.

Painoli, Shaik, and Nagaraja (2021) Girish Kumar Painoli, Abdul Mazed Shaik, and Nagaraja P.'s paper, "The SEBI Role in Creating Awareness about Investor Protection and Education" (2021), integrates policy documents and previous empirical research to evaluate SEBI's initiatives in investor education. They point out SEBI's workshops, online resources, and campaigns as ways to deal with the growing complexity of finance and the fact that scams keep happening. However, they also illustrate that there are still big gaps between what regulators want and what investors know, especially outside of big cities and among people who aren't experts. Their argument indirectly employs financial literacy and behavioral finance theory, contending that even the most well-crafted rules are ineffective if investors are unable to comprehend products or identify wrongdoing. They come to the conclusion that regulatory confidence is co-produced, meaning that trust rests on both SEBI's enforcement and investors' ability to understand things. This means that laws need to be backed up by ongoing, targeted education in local languages and settings.

Agrawal et al. (2021) In "Impact of information disclosure on consumer behaviour: The case of high-risk bonds" (Ideas for India, 2021), Niyati Agrawal, Monami Dasgupta, Monika Halan, Misha Sharma, and Madhu Srinivas (Dvara Research) conducted an online experiment with

303 urban, educated participants who were presented with either an accurate or a sales-oriented ("shrouded") disclosure regarding a hypothetical high-risk bond akin to AT1 instruments. They discover that precise, risk-oriented disclosure diminishes purchase likelihood by 80–90% relative to superficial, incomplete disclosure, underscoring the significant impact of information framing on behavior.

Faridabad - Haryana (2018) Rawal & Chowdhury The article "Impact of Demographics on Trading Behavior of Retail Investors in Indian Stock Market – A Study of Faridabad District" by Pratima Rawal and Jivan Kumar Chowdhury (International Journal of Management Studies, 2018) examines 300 retail investors from Faridabad (Haryana). Through a cross-sectional survey and chi-square testing, they identify strong correlations among age, gender, and income with trading behavior: younger, higher-income investors exhibit greater activity and a preference for equities, whereas older, lower-income investors favor more secure options.

Magendiraverman and Ramu (2018) The work "A Study on Investors Protection with Reference to SEBI" by A.J. Magendiraverman and Murugan Ramu (International Journal of Pure and Applied Mathematics, 2018) looks at how well SEBI's rules for protecting investors actually make small investors more knowledgeable and happy. Employing a doctrinal and survey methodology, the study reveals that investors acknowledge SEBI as the primary protector of their interests. However, a significant disparity exists between the legal Investor Protection Act and the perceived level of protection, since several respondents remain uncertain on grievance channels and disclosure standards. The study adeptly employs agency theory and investor-protection frameworks, positioning SEBI as an agent of the investing public tasked with counterbalancing the informational advantages held by issuers and intermediaries. The authors assert that regulatory confidence is tenuous in the absence of robust enforcement and effective communication. They advocate for enhanced transparency, proactive remediation, and investor education to bridge the "gap between protection guidelines and investor grievances."

Karibasappa (2014) T. Karibasappa's article "The Role of SEBI in Regulating the Indian Capital Market" (IJRAR, 2014) provides a thorough examination of SEBI's responsibilities—monitoring, disclosure, regulation of intermediaries, and corporate governance—connecting each to market integrity and the safeguarding of investors. The study contends that rigorous disclosure standards, prohibitions on insider trading, and vigilant market oversight are essential for fostering investor trust, as they mitigate opportunities for manipulation and informational inequity. The approach is based on regulatory-state and market-microstructure theory, which shows how credible monitoring lowers transaction costs and perceived risk. Karibasappa says that India's legal system is robust, but how much of that system turns into genuine trust depends on how strict the rules are, how ethical intermediaries are, and how knowledgeable investors are. This shows that there has to be stricter punishments and more systematic investor education.

3. Objectives of the Study

1. **To assess the level of regulatory confidence among individual investors in Haryana** with respect to SEBI, stock exchanges, and other supervisory mechanisms.
2. **To examine investors' perceptions of ethical trading practices** adopted by brokers, sub-brokers, financial advisors, and online trading platforms in Haryana.
3. **To analyse the relationship between regulatory confidence and perceived ethical trading practices** and their joint impact on investors' overall satisfaction and willingness to continue investing in the securities market.

4. Research Questions

RQ1: What is the level of regulatory confidence among Haryana investors regarding the functioning of SEBI, stock exchanges, and investor protection mechanisms?

RQ2: How do Haryana investors perceive the ethical standards and trading practices of market intermediaries (brokers, advisors, and online platforms)?

RQ3: Is there a significant relationship between regulatory confidence and perceptions of ethical trading practices, and how do these factors influence investors' satisfaction and future investment intentions?

5. Research Methodology

Research Design: The study adopted a descriptive and analytical (correlational) research design to analyze the relationship between regulatory confidence, ethical trading practices, and investor satisfaction. It was cross-sectional in nature and based on primary data collected from individual retail investors in Haryana who had invested in equity, derivatives, or mutual funds.

Universe and Sampling Frame: The population consisted of retail investors living in Haryana, covering districts such as Gurugram, Faridabad, Panipat, Karnal, Hisar, and Rohtak. A stratified or multi-stage random sampling method was used. In the first stage, districts were selected; in the second, towns and cities; and in the third, individual investors were chosen from broker lists or demat account holders. A sample of 400 respondents was taken to ensure representativeness and reliability.

Data Collection: Data were collected through a structured questionnaire using a 5-point Likert scale. The questionnaire had four parts: demographic profile, investment profile, perception of regulatory confidence (trust in SEBI, fairness of market rules, grievance redressal), and perception of ethical trading (broker honesty, risk disclosure, transparency, and fairness). Secondary data were drawn from SEBI reports, stock exchange publications, investor awareness documents, and earlier research studies related to ethics and the Indian capital market.

Development of Measurement Scales: Two indices were developed: the Regulatory Confidence Index (RCI) and the Ethical Trading Practices Index (ETPI). The RCI measured trust in SEBI, belief in punishment for violators, disclosure transparency, and satisfaction with grievance handling. The ETPI measured honest risk disclosure, fair advice, and transparency in brokerage charges. Each index was computed as the mean of several items, and Cronbach's alpha was applied to test internal consistency.

Tools of Analysis: The data were analyzed using descriptive statistics (mean, standard deviation, and percentage) to summarize demographic and perception variables. Inferential statistics such as t-test, ANOVA, and Pearson correlation were used to explore relationships and differences among variables. Regression and path analysis were applied to assess the effect of regulatory confidence and ethical trading perceptions on investor satisfaction and future investment intention.

Conceptual Framework: The conceptual model proposed that regulatory confidence (RCI) and ethical trading perception (ETPI) acted as independent variables influencing investor satisfaction and future investment intention. Higher regulatory confidence led to stronger perceptions of ethics, which in turn enhanced investor satisfaction and their willingness to continue investing or recommend market participation to others.

6. Data Analysis and Interpretation

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	240	60.0
	Female	160	40.0
Age Group (Years)	20–30	110	27.5
	31–40	140	35.0
	41–50	90	22.5
	Above 50	60	15.0

Education	Graduate	150	37.5
	Postgraduate	170	42.5
	Professional (CA/MBA/CS)	50	12.5
	Others	30	7.5
Occupation	Private Sector	160	40.0
	Government Service	100	25.0
	Self-Employed	90	22.5
	Student/Retired	50	12.5
Annual Income (₹ Lakhs)	<3	90	22.5
	3–6	130	32.5
	6–10	110	27.5
	>10	70	17.5
Investment Experience (Years)	<2	80	20.0
	2–5	140	35.0
	6–10	120	30.0
	>10	60	15.0

Respondents represented a balanced cross-section of Haryana's investor population. 60% were male, 42.5% were postgraduates, and most earned between ₹3–10 lakh annually. Around 65% had more than two years of investment experience, ensuring credible responses.

Table 2: Descriptive Statistics and Reliability of Constructs

Variable	Mean	SD	Min	Max	Cronbach's Alpha
Regulatory Confidence Index (RCI)	3.87	0.62	2.1	5.0	0.87
Ethical Trading Practices Index (ETPI)	3.72	0.65	2.0	5.0	0.85
Investor Satisfaction (IS)	3.95	0.58	2.3	5.0	0.82
Future Investment Intention (FII)	4.02	0.61	2.4	5.0	0.84

Reliability coefficients ($\alpha > 0.80$) indicate excellent internal consistency. Investors displayed moderately high regulatory confidence ($M = 3.87$) and positive perception of ethical trading ($M = 3.72$). Satisfaction and investment intention both scored high (>3.9).

Table 3: Regulatory Confidence (Objective 1 / RQ1)

Statement	SD	D	N	A	SA	Mean	SD
SEBI enforces strict market monitoring	20	30	70	180	100	3.78	0.82
Stock exchanges ensure fair trading	15	25	60	200	100	3.90	0.76
Violators are punished effectively	25	40	90	160	85	3.63	0.88
Grievance redressal is efficient	30	45	100	155	70	3.50	0.91

About 72% of respondents agreed or strongly agreed that SEBI and exchanges maintain fairness. The lowest score (3.50) on grievance handling suggests the need for improving investor awareness about SEBI's SCORES portal and redressal mechanisms.

Table 4: Ethical Trading Practices (Objective 2 / RQ2)

Statement	SD	D	N	A	SA	Mean	SD
Brokers provide complete & honest info	18	32	75	190	85	3.78	0.80
Brokerage charges are transparently disclosed	22	40	65	180	93	3.76	0.83
Advice given is unbiased and client-centric	26	38	72	170	94	3.69	0.85
Online platforms maintain data fairness	20	35	60	190	95	3.81	0.79

More than two-thirds of investors perceive brokers as ethical and transparent. However, concerns remain about the impartiality of investment advice, especially from non-bank intermediaries.

Table 5: ANOVA – Differences in Regulatory Confidence across Demographics

Demographic Variable	Category	Mean RCI	SD	F Value	Sig. (p)	Result
Gender	Male (n = 240)	3.92	0.59	2.10	0.12	Not Significant (NS)
	Female (n = 160)	3.79	0.64			
Age Group (Years)	20–30 (n = 110)	3.65	0.66	4.82	0.003	Significant
	31–40 (n = 140)	3.85	0.61			
	41–50 (n = 90)	3.98	0.58			
	Above 50 (n = 60)	4.05	0.53			
Education Level	Graduate (n = 150)	3.73	0.63	5.95	0.001	Significant
	Postgraduate (n = 170)	3.91	0.58			
	Professional (CA/MBA/CS) (n = 50)	4.08	0.52			
	Others (n = 30)	3.70	0.68			
Income Level (₹ Lakhs)	<3 (n = 90)	3.70	0.67	3.72	0.012	Significant
	3–6 (n = 130)	3.83	0.61			
	6–10 (n = 110)	3.95	0.55			
	>10 (n = 70)	4.02	0.51			
Investment Experience (Years)	<2 (n = 80)	3.60	0.70	6.25	0.000	Significant
	2–5 (n = 140)	3.83	0.62			
	6–10 (n = 120)	3.97	0.56			
	>10 (n = 60)	4.10	0.49			

Table 6: ANOVA – Ethical Perception by Type of Platform

Platform Type	Mean ETPI	SD	F Value	Sig. (p)
Traditional Brokers	3.61	0.68	5.72	0.004
Bank-Based Brokers	3.89	0.60		
Online Platforms	3.71	0.64		

Table 7: Correlation Matrix among Key Variables

Variables	RCI	ETPI	IS	FII
RCI	1			
ETPI	0.68**	1		
IS	0.61**	0.70**	1	
FII	0.54**	0.63**	0.66**	1

(Correlation significant at $p < 0.01$)

All variables are strongly and positively correlated. Investors with higher regulatory confidence also perceive higher ethics in trading, which leads to greater satisfaction and intention to continue investing.

Table 8: Regression – Impact of RCI and ETPI on Investor Satisfaction

Dependent Variable: *Investor Satisfaction (IS)*

Predictor	B	SE	Beta	t	Sig. (p)
Constant	1.12	0.18	–	6.22	0.000
Regulatory Confidence (RCI)	0.35	0.07	0.41	5.00	0.000

Ethical Trading Practices (ETPI)	0.47	0.08	0.53	5.88	0.000
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Model Summary: $R^2 = 0.58$ Adjusted $R^2 = 0.57$ $F = 142.1$ Sig. = 0.000

Both RCI and ETPI significantly predict investor satisfaction ($p < 0.01$). Ethical perception ($\beta = 0.53$) has a slightly stronger influence than regulatory confidence ($\beta = 0.41$). Together they explain 58% of satisfaction variance.

Table 9: Path Analysis – Structural Relationships

Path Relationship	β	t	p	Interpretation
RCI → ETPI	0.68	8.45	0.000	Significant
ETPI → IS	0.53	7.25	0.000	Significant
IS → FII	0.62	8.91	0.000	Significant
RCI → FII (Direct)	0.29	4.12	0.000	Significant

Model Fit Indices:

CFI = 0.94 RMSEA = 0.05 $\chi^2/df = 1.95$ SRMR = 0.04

Path coefficients show a **strong mediating effect** of ethical trading and satisfaction between regulatory confidence and investment intention. The model fit indices validate the conceptual framework.

Table 10: Hypothesis Testing Summary

Hypothesis	Statement	Test	p-Value	Decision
H ₀₁	No significant difference in regulatory confidence across demographics	ANOVA	0.001–0.012	Rejected
H ₀₂	No difference in ethical perception across platforms	ANOVA	0.004	Rejected
H ₀₃	No correlation between RCI and ETPI	Pearson r	<0.01	Rejected
H ₀₄	RCI and ETPI do not influence satisfaction	Regression	<0.01	Rejected

8. Findings and Discussion

The current study aimed to comprehend the viewpoints of individual investors in Haryana regarding regulatory confidence and ethical trading activities within the securities market. The sample size consisted of 400 respondents selected from six prominent districts: Gurugram, Faridabad, Panipat, Karnal, Hisar, and Rohtak. The people who answered the poll were a good mix of investors in terms of their age, gender, education, income, and experience. There were 60% men, 42.5% had master's degrees, and most of them earned between ₹3 and ₹10 lakh a year. Around two-thirds of them had been investing for more than two years, which demonstrates that they were knowledgeable and experienced. This variety made sure that the results showed a fair number of investors in Haryana. The study found that investors in Haryana had a fair amount of faith in the laws that govern India's securities market. The average regulatory confidence score of 3.87 shows that most investors think that SEBI and the stock exchanges will keep things fair and in order. About 72% of the respondents who answered said that SEBI does a good job of watching the market and punishing persons who break the rules. But they weren't as happy with how complaints were handled, which means that investors know about the options but think that problems should be dealt with more quickly and clearly. This means that investors need to learn more about SEBI's investor grievance portal (SCORES) and that complaints need to be handled more quickly in order to build trust even more.

Most investors believe that trading ethically is a positive thing. Most investors believe that brokers and intermediaries are honest and transparent, with an average score of 3.72. People trusted brokers who worked at banks the most (mean = 3.89), and then people who traded online (mean = 3.71). The average score for regular brokers was substantially lower, at 3.61. This could be because they weren't very transparent about how they did digital transactions and imposed costs for personal transactions. Most of the time, investors agreed, internet platforms clearly show brokerage costs and protect the privacy of their users' data. There were, however,

diverse opinions on whether investing advice is fair. This suggests that investors still think that brokers and advisors can be prejudiced in their advice. Subsequent studies revealed that regulatory confidence fluctuates based on demographic variables. The ANOVA results indicated significant disparities contingent upon wealth, education, age, and experience. Older investors with more expertise were more persuaded that regulatory mechanisms operated. Conversely, investors who were younger or had less experience were less convinced that SEBI functioned effectively. There weren't any big disparities between men and women, which means that both groups of investors had the same ideas about ethics and market rules. These results show that investors need to know a lot about money in order to be honest and trust others. Consumers would have more faith in the financial system if more money went into programs that teach investors, especially new and small ones. The research also found a substantial link between trusting the rules, the idea of ethical trading, being happy with your investments, and wanting to invest in the future. The correlation results showed that all four factors were substantially and positively linked. Individuals who perceived SEBI as credible and the market as equitable also regarded brokers as honest, had greater satisfaction, and shown a heightened propensity to continue investing. A regression analysis demonstrated that both regulatory confidence and ethical perception substantially affect investor happiness, accounting for around 58% of the variance. The belief in ethical trading had a slightly stronger impact than the belief in rules. This means that regulations and laws aren't the only things that affect how investors feel about being in the market. How brokers and middlemen act every day also matters.

9. Recommendations of the Study

1. SEBI and stock exchanges should make complaint handling faster and more transparent through digital tracking and periodic publication of resolution reports.
2. Conduct regular financial literacy and investor-awareness programs, especially in smaller towns of Haryana, focusing on SEBI's SCORES portal and risk management.
3. Brokers should adopt formal codes of ethics, disclose all fees and commissions clearly, and undergo regular ethics training to maintain credibility.
4. Promote secure, fintech-driven platforms that ensure traceability, low costs, and greater transparency for retail investors.
5. Regulators should communicate regularly about enforcement actions, investor protections, and market safeguards to strengthen public confidence.

10. Limitations of the Study

1. The study is limited to selected districts of Haryana; results may not be generalisable to all Indian states.
2. Cross-sectional data captures perceptions at one point in time; perceptions may change with new regulations or market events.
3. Responses are **self-reported**, which may involve bias, especially on sensitive issues like experiences of fraud or unethical practices.

11. Conclusion

For a capital market to be stable and open to everyone, it needs to have regulatory confidence and ethical trading practices. In a developing state like Haryana, where investors are increasingly confronted with intricate financial products and digital platforms, their confidence in regulatory authorities and faith in the ethical behavior of intermediaries emerge as crucial factors influencing participation. This study conceptualizes and experimentally investigates the perceptions of investors in Haryana concerning these factors. By emphasizing the interaction among legislation, ethics, and investor behavior, the research enhances both academic literature and policy dialogues regarding the enhancement of investor protection and market integrity in India. This article can be a significant part of your PhD research on financial markets and investor behavior if it has the right empirical evidence and statistical analysis.

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