Regulatory service delivery and institutional capacity: an evidence-based assessment of investor grievance redressal and enforcement by SEBI, 2013-14 to 2025-26

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Purpose: *A regulator is a service provider as well as a rule maker. This paper asks whether the administrative capacity of the Securities and Exchange Board of India has kept pace with the size of the market it regulates, measured on the two functions in which capacity is directly observable: the redressal of investor grievances and the conduct of investigations.*

Data and method: *An annual financial year panel for 2013-14 to 2025-26, thirteen observations, is built from the SEBI Handbook of Statistics on the Indian Securities Market 2025-26. The measures are the redressal rate, the stock of unredressed grievances in cases and in months of current receipts, the investigation completion ratio, the cumulative enforcement gap, the grievance load per rupee lakh crore of turnover and per registered intermediary and the nature wise composition of cases. Growth is summarised by compound annual rates and three phase means, elasticities by log regression with Newey and West standard errors and level shifts around the reforms of 2023 and 2024 by a trend plus step regression searched over eight candidate years with a wild bootstrap p value.*

Findings: *Demand for redressal grew 1.84 times while cash market turnover grew 9.28 times, so the grievance load per rupee lakh crore of turnover fell by about eighty per cent, from 1,195 to 237. Redressal kept pace in flow terms, 5,86,088 grievances redressed against 6,02,627 received over thirteen years and the stock of unredressed cases fell from 46.2 to 28.6 months of current receipts even though its level rose by 18,288 cases. The elasticity of redressal to receipts is 0.683, significantly below one, which is why a stock of about 1.48 lakh cases persists. Investigations taken up tripled after 2022-23 and their composition shifted from market manipulation to insider trading, from 12.0 per cent of cases taken up in 2013-14 to 71.8 per cent in 2024-25, while completions lagged intake by 145 cases in 2023-24. With thirteen annual*

observations no level shift is statistically significant, which is reported as inconclusive rather than as evidence of no effect.

Policy implications: *The binding constraint is not the inflow of complaints, which is small relative to the market, but the conversion of receipts into closures and of investigations taken up into investigations completed. Capacity should be reported and budgeted against market activity, disposal should be published with ageing and the enforcement pipeline should be resourced for the case mix it has actually acquired.*

Keywords: investor grievance redressal; regulatory capacity; SCORES; securities market enforcement; public service delivery; SEBI

1. Introduction

Discussions of economic reform in India usually treat a regulator as a maker of rules. The regulator is also and at the same time, a provider of services. When an investor cannot get a company to transfer shares, or finds that a broker has not credited a payout, the regulator is the office that is expected to act and the quality of that action is a matter of administrative capacity in exactly the sense that public administration understands the term. This paper takes that view of the Securities and Exchange Board of India and asks a single question: over the thirteen years from 2013-14 to 2025-26, has the capacity of SEBI to deliver its investor facing services kept pace with the growth of the market it regulates?

The question is worth asking because the two sides of it have grown at very different rates. Turnover in the cash segment of the National Stock Exchange rose from ₹28.08 lakh crore in 2013-14 to ₹260.63 lakh crore in 2025-26andmarket capitalisation from ₹72.78 lakh crore to ₹411.25 lakh crore, while investor grievances received by SEBI rose from 33,550 to 61,788. A market nine times larger generates less than twice as many complaints and that comparison can be read in two opposite ways. It may mean that the market has become cleaner and its intermediation more reliable, so that less goes wrong for each rupee transacted; it may equally mean that the complaint channel has not kept up with the entry of new investors, so that a falling share of the grievances that exist ever reaches the regulator. The published statistics cannot settle which reading is correct and the paper says so plainly; what they can do is establish the magnitudes that any answer must respect.

Three findings emerge. First, on every denominator that reflects market activity the redressal load has fallen sharply: grievances per ₹ lakh crore of cash turnover fell by about

eighty per cent. Second, redressal has kept pace in the flow but not in the stock. SEBI redressed 5,86,088 grievances against 6,02,627 received over thirteen years, which is 97.3 per cent, yet the stock of unredressed cases rose by 18,288 to about 1.48 lakh, because closures respond to receipts with an elasticity of 0.683, significantly below one, so each surge leaves a residue. Third, investigations taken up tripled from an average of 145 a year in the first six years to 362 a year in the last three, their composition moved from market manipulation to insider trading, which now accounts for roughly two thirds of cases taken up and a positive cumulative gap of 210 cases has opened since 2013-14. A fourth result is one of measurement: the count of registered intermediaries rises from 16,152 to 27,722 in the published data only because four categories enter it partway through the period, so that denominator is not interpretable and market activity is used instead.

2. The architecture of redressal and enforcement

SEBI's mandate to protect the interests of investors in securities is stated in the preamble to the Securities and Exchange Board of India Act, 1992andthe grievance function is its most visible expression. Since 2011 complaints have been handled through the SEBI Complaints Redress System, known as SCORES, which receives a complaint, routes it to the entity complained against, records that entity's action taken report and allows the complainant to pursue the matter further. Two features matter here. SEBI is not the direct redresser in most cases; the listed company, the intermediary or the mutual fund is and SEBI routes, monitors, escalates and, where redressal fails, acts against the entity. And SEBI data records receipts and redressals as flows during the year together with cumulative figures since inception, which makes it possible to compute the stock of cases received but not yet reported as redressed.

The framework was substantially rebuilt between 2022 and 2024andTable 1 sets out the sequence with the circular numbers. The Master Circular of 7 November 2022 consolidated the SCORES framework; on 31 July 2023 SEBI introduced a common online dispute resolution portal, so that a complaint not resolved through SCORES could go to conciliation and then arbitration (Securities and Exchange Board of India, 2023a); and on 20 September 2023 it linked SCORES to that portal and prescribed timelines, namely twenty one calendar days for the entity to resolve a complaint, ten calendar days for a designated body to submit its revised response and fifteen calendar days for the complainant to seek a review at each stage, with automatic escalation if a timeline is not met, effective 4 December 2023 (Securities and

Exchange Board of India, 2023b, 2023c). On 1 April 2024 SEBI launched SCORES 2.0, whose stated features are automatic routing of a complaint to the entity concerned, monitoring of timely redressal by designated bodies, automatic escalation, a two-tier review of designated body followed by SEBI and integration with the KYC Registration Agency database (Securities and Exchange Board of India, 2024).

Table 1. The redressal architecture and the reforms of 2022 to 2024

Date	Instrument	Provision
7 November 2022	SEBI Master Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150	Consolidated the framework for the redressal of investor grievances through the SCORES platform. Rescinded with effect from 4 December 2023
31 July 2023	SEBI circular SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131	Introduced online resolution of disputes in the Indian securities market, so that a dispute not resolved through SCORES proceeds to online conciliation and then to online arbitration
20 September 2023	SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2023/156	Redressal of grievances through SCORES linked to the online dispute resolution platform. Entities "shall resolve the complaint within 21 calendar days of receipt of such Complaint"; a designated body must submit its revised response within 10 calendar days of a review being sought; the complainant has 15 calendar days to seek review at each stage; a complaint auto escalates to the next level if a timeline is not met. Effective 4 December 2023
28 December 2023	SEBI master circular SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195	Master circular for online resolution of disputes, consolidating the framework of July 2023 and its amendments
1 April 2024	SEBI Press Release No. 06/2024	SCORES 2.0 launched. Stated features: auto routing of a complaint to the regulated entity concerned; monitoring of timely redressal by the designated bodies; auto escalation to the next level where a prescribed timeline is not met; a two level review, first by the designated body and then by SEBI; integration with the KYC Registration Agency database; retention of the 21 calendar day timeline

Note: Quotations are from the circulars named, read on sebi.gov.in. The designated bodies are the stock exchanges, depositories and industry bodies to which the first level review of a complaint is assigned.

Three points bear on how the statistics should be read. The reforms of 2023 and 2024 are administrative reforms of a service process rather than changes in the substantive law, so their intended effect appears in disposal and timeliness rather than in the volume of complaints. The designated body mechanism moves part of the first review out of SEBI and into the stock exchanges and depositories, so the capacity measured after December 2023 is that of a system rather than of an office. And the last measure took effect on 1 April 2024, so the panel contains two complete financial years under SCORES 2.0, which is enough to describe and far too little to identify an effect.

The enforcement function is reported separately and with a different logic. SEBI data gives the number of investigations taken up and completed in each year and composition under five heads: market manipulation and price rigging, issue related manipulation, insider trading, takeovers and miscellaneous. The SEBI data reconcile internally, Investigations differ from grievances in that they are opened by the regulator rather than presented to it, so their number measures enforcement effort as much as misconduct and the ratio of completions to intake is a direct measure of throughput.

3. Literature and the research gap

Three strands of research bear on the question. The first is the law and finance literature on enforcement. La Porta, Lopez-de-Silanes and Shleifer (2006) find that what supports stock market development is not securities laws as such but the parts of them that ease private enforcement. Jackson and Roe (2009) measured public enforcement by resources, using regulators' budgets and staff relative to market size and found resource-based measures associated with market outcomes as strongly as formal indices; Holthausen (2009) makes the same point in the accounting context, distinguishing enforcement inputs from outputs and noting how rarely either is observed. Bhattacharya and Daouk (2002) show that what changes the cost of equity is not the existence of an insider trading law but its first enforcement, which is a statement about capacity rather than statute. Bischof, Daske, Elfers and Hail (2021) find that compliance with disclosure rules depends on the supervisory agency's resources and Eisenbach, Lucca and Townsend (2022) recover a shadow cost of scarce supervisory hours that rose by more than fifty per cent around the financial crisis. The common lesson is that regulatory outcomes are produced by an organisation with finite resources, whose throughput is a legitimate object of study.

The second strand is the public administration literature on state capacity and complaint handling. Rasul and Rogger (2018), studying the Nigerian civil service, show that the management practices of bureaucratic organisations have large effects on project completion, so throughput is not merely a function of budget. Zink, Knill and Steinebach (2024) describe organisational policy triage, in which an agency facing an overloaded portfolio must choose which mandates to service. For India, Kumar (2024) finds that officials in Mumbai's water sector addressed forty-four per cent of about twenty thousand complaints lodged between 2016 and 2018, with prioritisation driven by the content of the complaint rather than by who made

it, precisely because of capacity constraints and O'Brochta (2022) reports that in state level data for 2016 to 2019 half of India's thirty-six states and union territories addressed fewer than half the complaints received. Kumar, Tiwari, Singh and Nag (2022) find that security, reliability and information quality drive satisfaction with an Indian online grievance portal and Singh, Kumar and Arrawatia (2019) show that time bound delivery backed by penalties raises the recorded success rate while leaving deeper accountability structures untouched.

The third strand is the Indian work on these statistics themselves. Kaur and Kaur (2016) study receipts and redressals from 2004-05 to 2013-14 and report that most investigations in that period related to market manipulation and price rigging, with the completion rate varying between 25.47 and 60.36 per cent. Theirs is the closest antecedent of the present study and it also shows the limits of the descriptive tradition: it ends in the year this paper begins, it reads the counts without a denominator and it does not treat the series as measures of administrative capacity. This paper uses the same source and extends it by twelve years, by scaling and by estimation.

The gap is therefore specific and is claimed only at that level. The enforcement literature measures capacity by inputs, budgets and staff, which the Handbook does not publish for SEBI; the public administration literature measures complaint handling in sectors other than finance; the Indian literature describes the counts for earlier periods. What has not been done, so far as the literature reviewed here shows, is to treat the published grievance and investigation series as administrative performance data for the period of the market's expansion, to scale them by market size, to estimate the elasticity of disposal with respect to demand and to test whether the reforms of 2023 and 2024 are visible in the series at all.

4. Data and method

The data are annual and public. The SEBI Handbook of Statistics on the Indian Securities Market 2025-26 gives grievances received and redressed in each financial year with cumulative figures since inception. Cash market turnover is aggregated to the financial year and market capitalisation taken at the year end from SEBI data. The panel runs from 2013-14 to 2025-26 and has thirteen annual observations, which is the binding constraint on everything that follows. Table 2 defines every variable and names its source.

Table 2. Variable definitions and sources

Variable	Definition	Unit
Grievances received	Investor grievances received by SEBI during the financial year	Number
Grievances redressed	Investor grievances redressed during the financial year	Number
Redressal rate	Grievances redressed divided by grievances received in the same year	Per cent
Unredressed stock	Cumulative grievances received since inception less cumulative grievances redressed since inception, at the year end. A net measure, not a case level pendency register	Number
Stock in months	Unredressed stock divided by grievances received in the year, multiplied by twelve	Months of current receipts
Investigations taken up	Investigations taken up by SEBI during the year	Number
Investigations completed	Investigations completed during the year	Number
Completion ratio	Investigations completed divided by investigations taken up in the same year	Per cent
Cumulative enforcement gap	Running sum from 2013-14 of investigations taken up less investigations completed	Number
Nature wise shares	Share of each of the five heads, namely market manipulation and price rigging, issue related manipulation, insider trading, takeovers and miscellaneous, in the year's cases taken up and completed	Per cent
Registered intermediaries, as reported	Sum of the seventeen categories of registered intermediaries and market infrastructure institutions reported in the source	Number
Registered intermediaries, constant coverage	Sum of the thirteen categories reported in every year of the panel: brokers in the cash, equity derivatives and currency derivatives segments, depository participants of NSDL and CDSL, merchant bankers, alternative investment funds, portfolio managers, mutual funds, investment advisers, registrars and share transfer agents, credit rating agencies and debenture trustees	Number
Cash market turnover	Turnover in the cash segment of the National Stock Exchange, aggregated from monthly data to the financial year	₹ lakh crore
Market capitalisation	Market capitalisation of the National Stock Exchange at the year end	₹ lakh crore
Grievance load ratios	Grievances received per ₹ lakh crore of cash market turnover and per registered intermediary on each of the two coverage bases	Ratio

Note: All financial years run from April to March. Source: Securities and Exchange Board of India (2026), Handbook of Statistics on the Indian Securities Market 2025-26. Author's calculations.

Six measures carry the argument. The redressal rate is grievances redressed in a year as a percentage of those received in the same year and a value above one hundred means the pending stock was drawn down. The stock is the difference between cumulative receipts and cumulative redressals and is also expressed in months of current receipts, the natural unit for a service backlog because it states how long the stock would take to clear at the current rate of arrival.

The investigation completion ratio is completions as a percentage of intake in the same year and the cumulative enforcement gap is the running sum of intake less completions from 2013-14. The load ratios are grievances received per ₹ lakh crore of cash turnover and per registered intermediary and the composition measures are the shares of the five heads.

Three methods are used, each chosen for what thirteen observations will support. Growth is summarised by the compound annual rate, the ratio of the last year to the first and the mean of each measure over three phases: 2013-14 to 2018-19, before the entry of large numbers of new investors; 2019-20 to 2022-23, spanning the pandemic and the retail expansion; and 2023-24 to 2025-26, the years of the reformed framework. Elasticities are estimated by regressing the logarithm of a measure on the logarithm of a driver, with standard errors computed by the method of Newey and West (1987) allowing one lag of autocorrelation, so the coefficient reads as the percentage response to a one per cent change in the driver. A level shift is tested by regressing each series on a linear trend and a step dummy, estimated for every candidate break year from 2017-18 to 2024-25, taking the largest Wald statistic and computing its p value by a wild bootstrap with Rademacher weights and 999 replications under the null of no step, because the conventional p value of a best fitting break is biased towards significance.

Two limitations of the data should be stated before the results. There is no verifiable published series of investor accounts in the SEBI data used here, so no per investor denominator is reported and the denominators are market activity and the registered population. And the stock of unredressed grievances computed from cumulative receipts and redressals is a net measure rather than a case level count of open files, so it indicates accumulated shortfall rather than a pendency register.

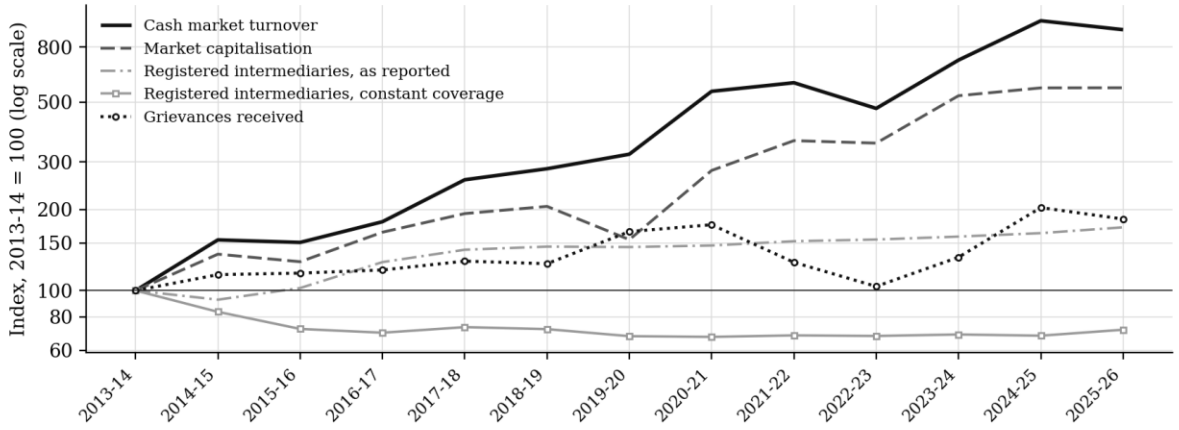
5. Results

5.1 The scale gap

Table 3 and Figure 2 set the demand for redressal against the size of the market. Cash market turnover grew at a compound annual rate of 20.40 per cent over the twelve growth years of the panel, market capitalisation at 15.53 per cent and grievances received at 5.22 per cent; in ratio terms turnover multiplied 9.28 times, market capitalisation 5.65 times and grievances 1.84 times. The consequence is arithmetic and large: grievances received per ₹ lakh crore of cash turnover fell from 1,195 in 2013-14 to 237 in 2025-26, a decline of about eighty per cent, with

the lowest value of 222 in 2023-24. The elasticity of grievances with respect to turnover is 0.219 with a standard error of 0.051andwith respect to market capitalisation 0.220 with a standard error of 0.091; both are significantly positive and far below one. Complaints do rise with the market, but at roughly a fifth of its rate.

Figure 2. The scale gap: market activity against the redressal and supervision load



Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26

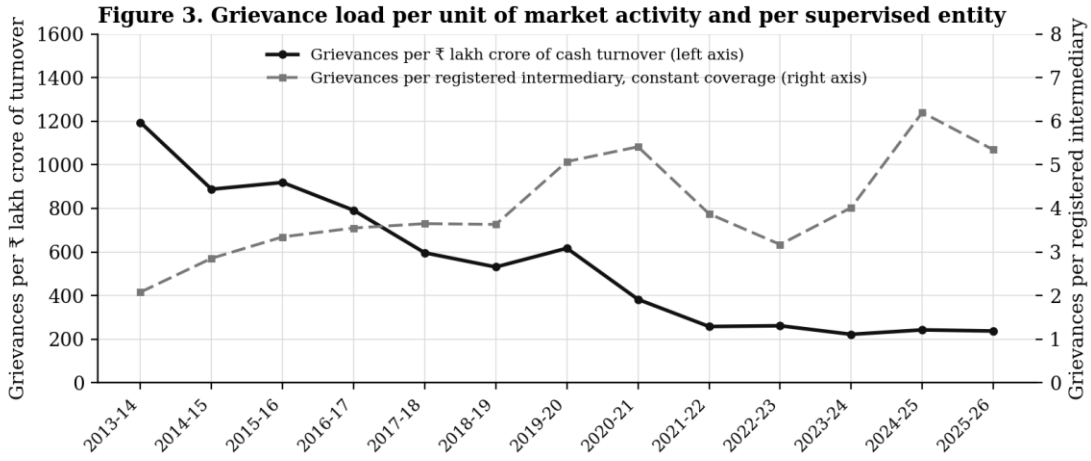
Figure 2. The scale gap between market activity and the redressal and supervision load. A logarithmic scale is used because turnover grew about nine times while grievances grew about twice. The as reported count of registered intermediaries rises partly because categories of the source later: research analysts and foreign portfolio investors from 2014-15, commodity derivatives brokers from 2015-16 and debt segment brokers from 2016-17. The constant coverage series holds the thirteen categories reported in every year and it falls because the number of registered brokers more than halved. Source: as for Table 3.

Two readings of that gap are consistent with the evidence and these SEBI data cannot choose between them. On the favourable reading, dematerialisation, shorter settlement cycles, the automation of corporate actions and tighter intermediary regulation have reduced the rate at which things go wrong for each rupee transacted, so a falling load ratio measures success. On the unfavourable reading, the investor base widened faster than awareness of the complaint channel, so the falling ratio reflects unreported grievances rather than absent ones. The jumps in receipts to 55,526 and 58,873 in 2019-20 and 2020-21andto a peak of 68,132 in 2024-25, are more consistent with a channel that responds to market stress and new entry than with one that has fallen out of use. The load ratio therefore sets an upper bound on the burden that complaint handling places on the regulator and the level of unreported grievance is not observable here.

5.2 Why the registered population cannot serve as a denominator

The count of registered intermediaries is the denominator a reader would reach for first and it does not work. As reported in SEBI data, the total of the seventeen categories used here rises from 16,152 in 2013-14 to 27,722 in 2025-26, an increase of seventy-two per cent. But research analysts and foreign portfolio investors appear only from 2014-15, commodity derivatives brokers from 2015-16 and debt segment brokers from 2016-17andin 2025-26 those four categories account for 16,160 registrants, more than half the total. On the thirteen categories reported in every year the registered population falls from 16,152 to 11,562, a decline of twenty-eight per cent, because brokers in the cash, equity derivatives and currency derivatives segments together fell from 14,496 to 6,943 as the industry consolidated, while registrants other than brokers rose from 1,656 to 4,619.

The measurement consequence is sharp. The elasticity of grievances with respect to the registered population is +0.694, with a standard error of 0.235, on the published totaland−1.034, with a standard error of 0.307, on the consistent coverage series: the sign of a central relationship reverses with a definitional choice about coverage. A grievance per intermediary ratio built on the published total therefore measures a change in what the table covers as much as a change in supervisory load. This paper reports the consistent basis ratio, which rises from 2.08 to 5.34 grievances per registrant, alongside the activity-based ratio that falls and Figure 3 shows the two moving in opposite directions. That is not a contradiction but the difference between an intermediation industry that has consolidated into fewer and larger firms and a market that has grown and it is why the capacity conclusions here rest on activity-based denominators.

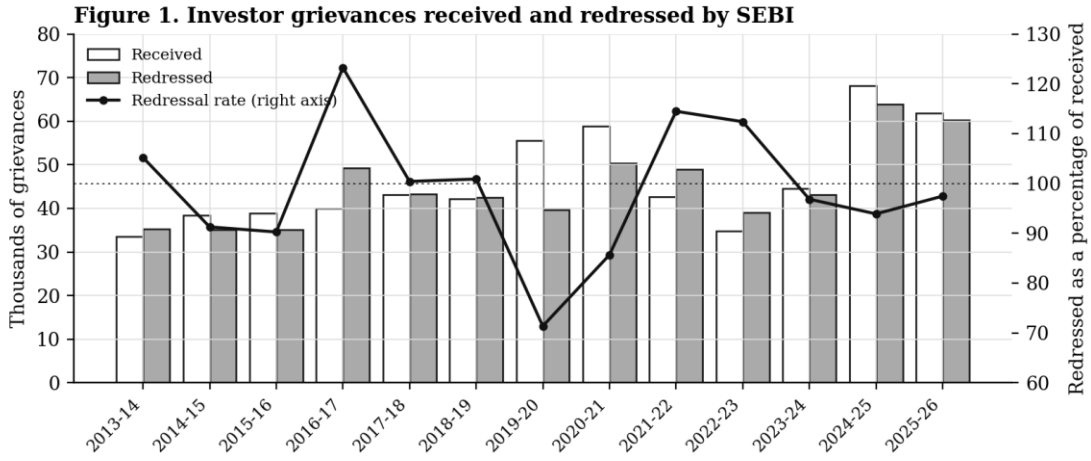


Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26,

Figure 3. The grievance load per unit of market activity and per supervised entity, with the registered population held to constant coverage. The constant coverage population is the sum of the thirteen categories are reported in every year of the period, as listed in Table 2. The two ratios move in opposite directions, which is the measurement point of Section 5.2. Source: as for Table 3.

5.3 Redressal in the flow and in the stock

Table 4 and Figures 1 and 6 describe the redressal function itself. Over the thirteen years SEBI received 6,02,627 grievances and redressed 5,86,088, which is 97.3 per cent of receipts and the cumulative figures since inception rose from 28,86,074 received and 27,56,846 redressed at the end of 2013-14 to 34,55,151 and 33,07,635 at the end of 2025-26. In flow terms, then, the system very nearly keeps up. The annual redressal rate averaged 101.9 per cent in the first phase, 96.0 per cent in the second and 96.1 per cent in the third and it ranged from 71.4 per cent in 2019-20, the worst year, to 123.3 per cent in 2016-17, the best.



Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26,

Figure 1. Investor grievances received and redressed, with the redressal rate on the right axis. A rate above one hundred per cent means that more grievances were redressed during the year than were received, which draws down the stock of pending cases. Source: as for Table 4.

Table 4. Investor grievances received, redressed and outstanding

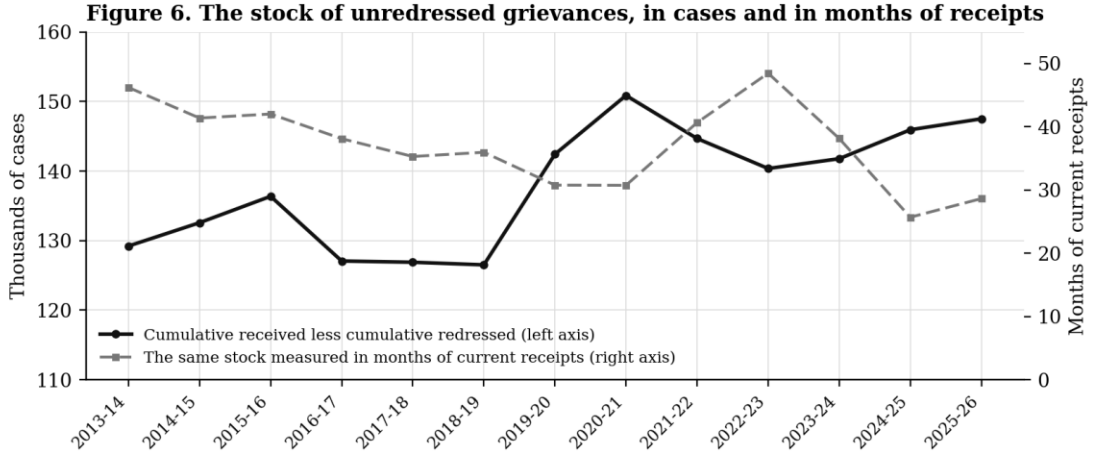
Financial year	Grievances received	Grievances redressed	Redressal rate (per cent)	Unredressed stock at the year end	Change in the stock during the year	Stock in months of current receipts
2013-14	33,550	35,299	105.2	1,29,228	n.a.	46.2
2014-15	38,442	35,090	91.3	1,32,580	3,352	41.4
2015-16	38,938	35,145	90.3	1,36,373	3,793	42.0
2016-17	40,000	49,301	123.3	1,27,072	−9,301	38.1
2017-18	43,131	43,308	100.4	1,26,895	−177	35.3
2018-19	42,202	42,576	100.9	1,26,521	−374	36.0
2019-20	55,526	39,624	71.4	1,42,423	15,902	30.8
2020-21	58,873	50,425	85.7	1,50,871	8,448	30.8
2021-22	42,694	48,883	114.5	1,44,682	−6,189	40.7
2022-23	34,752	39,062	112.4	1,40,372	−4,310	48.5
2023-24	44,599	43,191	96.8	1,41,780	1,408	38.1
2024-25	68,132	63,971	93.9	1,45,941	4,161	25.7
2025-26	61,788	60,213	97.5	1,47,516	1,575	28.6
Mean, 2013-14 to 2018-19	**39,377**	**40,120**	**101.9**	**1,29,778**	**n.a.**	**39.8**
Mean, 2019-20 to 2022-23	**47,961**	**44,499**	**96.0**	**1,44,587**	**n.a.**	**37.7**
Mean, 2023-24 to 2025-26	**58,173**	**55,792**	**96.1**	**1,45,079**	**n.a.**	**30.8**
Total, 2013-14 to 2025-26	**6,02,627**	**5,86,088**	**97.3**	**n.a.**	**18,288**	**n.a.**

Note: The redressal rate exceeds one hundred per cent when more grievances are redressed during the year than are received, which draws down the stock. The unredressed stock is cumulative receipts less cumulative redressals

since inception, as reported in of the source and is a net measure rather than a case level pendency register. Source: Securities and Exchange Board of India (2026), Handbook of Statistics on the Indian Securities Market 2025-26. Author's calculations.

The stock tells a different story from the flow and the difference is the analytical centre of this paper. Because redressal falls short of receipts in more years than it exceeds them, seven against five in this panel, the stock of unredressed cases rose from 1,29,228 at the end of 2013-14 to 1,47,516 at the end of 2025-26, an increase of 18,288 cases, with a maximum of 1,50,871 in 2020-21 and a minimum of 1,26,521 in 2018-19. Measured in months of current receipts, the same stock fell from 46.2 to 28.6 months, with a minimum of 25.7 months in 2024-25 and a maximum of 48.5 in 2022-23. Both statements are true and reporting only one would mislead: the absolute backlog has grown, while relative to the rate at which complaints now arrive it has shrunk by about two fifths. For a service manager the second measure is the operative one, because it says the accumulated shortfall is equivalent to rather more than two years of current arrivals, a long queue by any standard of public service delivery but a shorter one than it was.

Figure 6. The stock of unredressed grievances, in cases and in months of receipts



Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26,

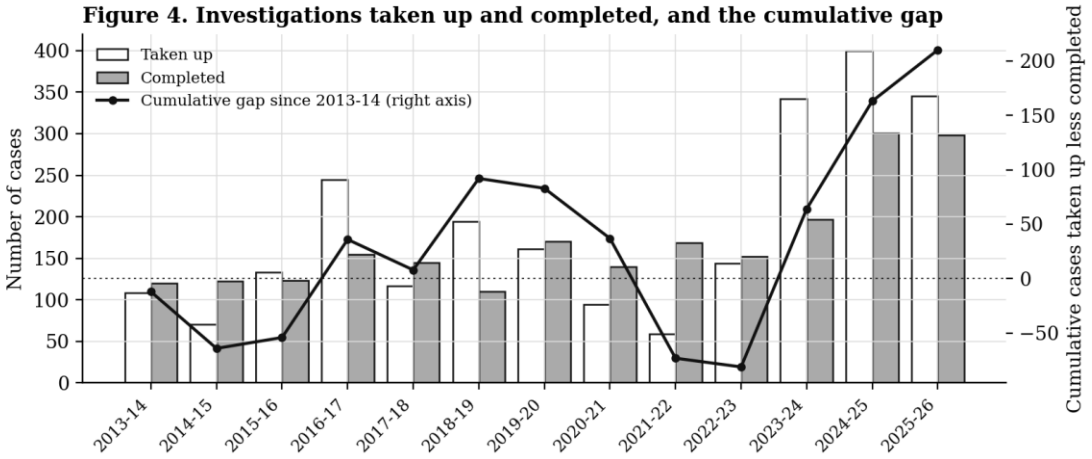
Figure 6. The stock of unredressed grievances, in cases and in months of current receipts. The stock is a net measure computed from cumulative receipts and redressals, not a case level pendency register. Source: as for Table 4.

The mechanism is identified by the elasticity of redressal with respect to receipts, which is 0.683 with a standard error of 0.166, a confidence interval from 0.357 to 1.009 and an R squared of 0.62. A ten per cent increase in complaints received is associated with a 6.8 per cent increase in complaints redressed. The estimate is significantly below one, although the interval touches it and the implication is what service operations would predict: disposal capacity

adjusts partially and with a lag, so every surge leaves a residue. The years 2019-20 and 2020-21 illustrate it. Receipts rose by 31.6 per cent in 2019-20, redressal fell, the rate dropped to 71.4 per cent and the stock rose by 15,902 cases in one year, the largest annual increase in the panel. Recovery took two years, the rate reaching 114.5 per cent in 2021-22 and 112.4 per cent in 2022-23 and drawing the stock down by 6,189 and 4,310 cases. The pattern recurs in 2024-25, when the stock rose by 4,161 cases despite 63,971 redressals, the highest number in the panel.

5.4 Enforcement volume, throughput and composition

Table 5 and Figure 4 report the investigation function. Investigations taken up rose from 108 in 2013-14 to 345 in 2025-26, with a peak of 400 in 2024-25 and a trough of 59 in 2021-22, a compound annual rate of 10.16 per cent, while completions rose from 120 to 298, with a peak of 301 in 2024-25, at 7.87 per cent a year. The phase means show where the change occurred: intake averaged 144.5 cases a year in 2013-14 to 2018-19, fell to 114.5 in 2019-20 to 2022-23andthen rose to 362.3 in 2023-24 to 2025-26, while completions averaged 129.2, 157.8 and 265.3. Enforcement volume roughly tripled in the last three years of the panel relative to the years immediately before.



Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26,

Figure 4. Investigations taken up and completed and the cumulative gap since 2013-14. A negative cumulative gap means that more cases were completed than were taken up over the period to date. Source: as for Table 5.

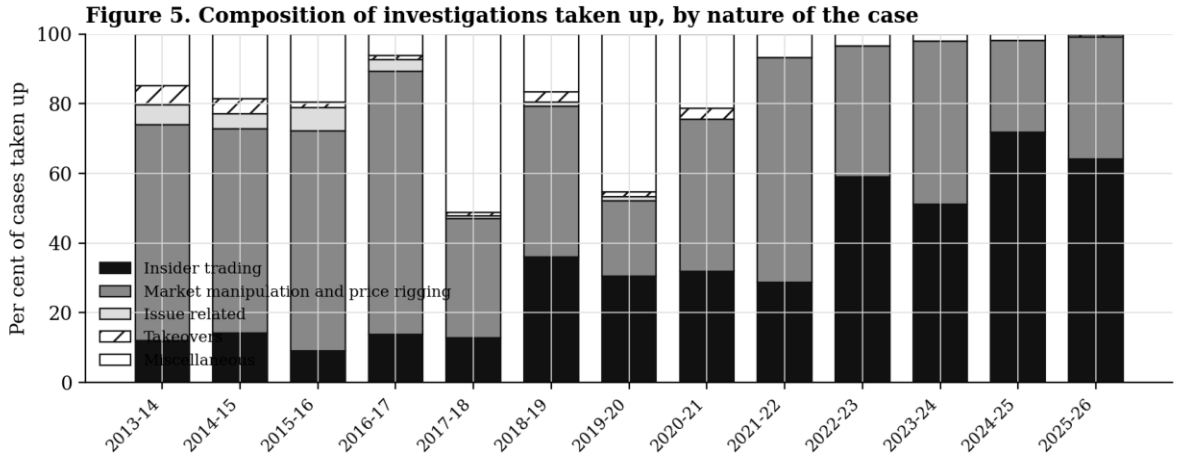
Table 5. Investigations taken up, completed and the cumulative enforcement gap

Financial year	Investigations taken up	Investigations completed	Completion ratio (per cent)	Gap in the year (taken up less completed)	Cumulative gap since 2013-14
2013-14	108	120	111.1	−12	−12
2014-15	70	122	174.3	−52	−64
2015-16	133	123	92.5	10	−54
2016-17	245	155	63.3	90	36
2017-18	117	145	123.9	−28	8
2018-19	194	110	56.7	84	92
2019-20	161	170	105.6	−9	83
2020-21	94	140	148.9	−46	37
2021-22	59	169	286.4	−110	−73
2022-23	144	152	105.6	−8	−81
2023-24	342	197	57.6	145	64
2024-25	400	301	75.3	99	163
2025-26	345	298	86.4	47	210
Mean, 2013-14 to 2018-19	**144.5**	**129.2**	**103.6**	**15.3**	**n.a.**
Mean, 2019-20 to 2022-23	**114.5**	**157.8**	**161.6**	**−43.3**	**n.a.**
Mean, 2023-24 to 2025-26	**362.3**	**265.3**	**73.1**	**97.0**	**n.a.**
Total, 2013-14 to 2025-26	**2,412**	**2,202**	**91.3**	**210**	**210**

Note: A completion ratio above one hundred per cent means that more investigations were completed during the year than were taken up, which draws down the pipeline. A negative cumulative gap means that completions since 2013-14 exceed intake over the same period. Source: Securities and Exchange Board of India (2026), Handbook of Statistics on the Indian Securities Market 2025-26. Author's calculations.

Throughput moved in the opposite direction to volume. The completion ratio averaged 103.6 per cent in the first phase and 161.6 per cent in the second, when intake was low and the pipeline was being cleared and then fell to 73.1 per cent in the third. In 2023-24 SEBI took up 342 investigations and completed 197, a gap of 145 cases, the largest in the panel; the gap was 99 in 2024-25 and 47 in 2025-26, so it is narrowing but has not closed. The cumulative gap since 2013-14, which was still −81 cases in 2022-23, meaning that completions to that point had exceeded intake, stood at +210 cases at the end of 2025-26, on totals of 2,412 taken up and 2,202 completed over thirteen years. The elasticity of investigations taken up with respect to turnover is 0.383 with a standard error of 0.237 and a p value of 0.105, so enforcement intake cannot be said to track market activity reliably; it looks more like a policy choice than a mechanical response to market size.

The composition of that effort has changed more than its volume and this is the most striking single result in the paper. Insider trading accounted for 12.0 per cent of investigations taken up in 2013-14 and 71.8 per cent in 2024-25, settling at 64.1 per cent in 2025-26, while market manipulation and price rigging fell from 62.0 to 35.1 per cent. On the phase aggregates, insider trading rose from 17.8 per cent of all cases taken up to 39.5 and then 62.8 per cent and market manipulation fell from 57.8 to 36.7 and then 35.6 per cent. Issue related and takeover cases have all but disappeared, from 5.7 per cent of intake in the first phase to 0.2 per cent in the third and miscellaneous cases from 18.7 to 1.4 per cent.



Source: SEBI, Handbook of Statistics on the Indian Securities Market 2025–26

Figure 5. The composition of investigations taken up, by nature of the case. Shares are computed on the number of cases taken up in each year and the five heads are exhaustive. Source: Securities and Exchange Board of India (2026).

Table 6. Composition of investigations taken up, by nature of the case

Financial year	Insider trading	Market manipulation and price rigging	Issue related	Take-overs	Miscel-laneous	Total cases taken up	Insider trading share (per cent)	Market manipulation share (per cent)
2013-14	13	67	6	6	16	108	12.0	62.0
2014-15	10	41	3	3	13	70	14.3	58.6
2015-16	12	84	9	2	26	133	9.0	63.2
2016-17	34	185	8	3	15	245	13.9	75.5
2017-18	15	40	1	1	60	117	12.8	34.2
2018-19	70	84	2	6	32	194	36.1	43.3
2019-20	49	35	2	2	73	161	30.4	21.7
2020-21	30	41	0	3	20	94	31.9	43.6
2021-22	17	38	0	0	4	59	28.8	64.4
2022-23	85	54	0	0	5	144	59.0	37.5

Financial year	Insider trading	Market manipulation and price rigging	Issue related	Take-overs	Miscel-laneous	Total cases taken up	Insider trading share (per cent)	Market manipulation share (per cent)
2023-24	175	160	0	0	7	342	51.2	46.8
2024-25	287	106	0	0	7	400	71.8	26.5
2025-26	221	121	0	2	1	345	64.1	35.1
Phase total, 2013-14 to 2018-19	**154**	**501**	**29**	**21**	**162**	**867**	**17.8**	**57.8**
Phase total, 2019-20 to 2022-23	**181**	**168**	**2**	**5**	**102**	**458**	**39.5**	**36.7**
Phase total, 2023-24 to 2025-26	**683**	**387**	**0**	**2**	**15**	**1,087**	**62.8**	**35.6**

Note: The five heads are those reported in the source and are exhaustive, so the counts sum to the total. The row totals of equal the investigations taken up reported in every year of the panel. Source: Securities and Exchange Board of India (2026), Handbook of Statistics on the Indian Securities Market 2025-26. Author's calculations.

This shift has a capacity implication that is easy to miss. An insider trading investigation is not the same unit of work as an issue related one: it requires the reconstruction of trading patterns around price sensitive events, the establishment of connection between persons and the handling of electronic evidence and it is ordinarily slower and more skill intensive. A pipeline in which two thirds of cases are of the slower type and whose intake has tripled, will show falling throughput even if nothing about the organisation has deteriorated. The coincidence of tripled intake, a case mix shifted towards the slower category and a completion ratio of 73.1 per cent is internally consistent and it points to a specific rather than a general capacity constraint.

5.5 Are the reforms of 2023 and 2024 visible in the series?

The reforms of Section 2 were intended to compress redressal timelines and the natural question is whether they show up as a level shift. Table 7 reports the searched step tests, giving for each series the break year that fits best, the estimated step, its conventional p value, the sup Wald statistic and the wild bootstrap p value. The conventional p values are small and every one of them is misleading. The bootstrap p values are 0.355 for the logarithm of grievances received, 0.204 for the logarithm of investigations taken up, 0.137 for the insider trading share, 0.471 for the redressal rate and 0.233 for the backlog in months: not one is significant at any conventional level. The best fitting break year is also 2021-22 for three of the five series, which is before the reforms rather than after them.

Table 7. Searched tests for a level shift in the redressal and enforcement series

Series	Best fitting break year	Estimated step	Conventional p value	Trend coefficient	sup Wald statistic	Wild bootstrap p value
Grievances received (logarithm)	2021-22	−0.432*** (0.118)	0.0002	0.086	13.45	0.355
Investigations taken up (logarithm)	2023-24	1.129*** (0.361)	0.0018	−0.006	9.79	0.204
Insider trading share of cases taken up (percentage points)	2022-23	20.183*** (5.227)	0.0001	3.121	14.91	0.137
Redressal rate (percentage points)	2021-22	27.771*** (9.510)	0.0035	−3.199	8.53	0.471
Unredressed stock in months of receipts (months)	2021-22	16.000*** (4.104)	0.0001	−2.653	15.20	0.233

Note: Each series is regressed on a linear trend and a step dummy, estimated separately for every candidate break year from 2017-18 to 2024-25 with Newey and West (1987) standard errors allowing one lag. The SEBI data reports the candidate with the largest Wald statistic. Standard errors are in parentheses and asterisks denote the conventional significance of the step at the ten, five and one per cent levels. The wild bootstrap p value uses Rademacher weights and 999 replications under the null of no step and is the correct statistic, because searching over candidate dates biases the conventional p value towards significance. No step is significant on that basis. Source: Securities and Exchange Board of India (2026), Handbook of Statistics on the Indian Securities Market 2025-26. Author's calculations.

The correct conclusion is that with thirteen annual observations, of which at most three lie after the reforms, these data cannot establish a structural break and the absence of significance is not evidence that the reforms had no effect. This is a power problem, not a finding and it is reported rather than suppressed because the temptation to read the last two years as a reform effect is strong and should be resisted: the backlog in months did reach its lowest value of 25.7 in 2024-25 and redressals their highest level of 63,971 in the same year, but receipts also peaked in that year and a trend fitted to the whole period explains the movement as well as a step does. Monthly disposal data, which SEBI publishes in other forms, would allow a proper test and Section 7 recommends their release as a consistent series. What survives is the descriptive comparison: the third phase has the highest receipts, the highest redressals, the lowest backlog in months and the highest enforcement intake of the three phases, together with the lowest completion ratio.

6. Discussion

Read as a whole, these results describe an organisation whose constraint has moved. In the first phase the redressal function handled about forty thousand complaints a year against annual turnover of ₹28 lakh crore to ₹79 lakh crore and the pending stock was equivalent to about forty months of arrivals. In the third phase it handles about fifty-eight thousand complaints a year against turnover of ₹200 lakh crore to ₹281 lakh crore and the stock is equivalent to about thirty-one months. On the natural measure of burden, complaints per unit of market activity, the load has fallen by four fifths: the redressal function is not being overwhelmed by the growth of the market.

What it is constrained by is conversion. An elasticity of disposal with respect to receipts of 0.683 means the system absorbs about two thirds of any surge and defers the rest and because surges recur the residue accumulates into a stock of about 1.48 lakh cases. This is the pattern Zink, Knill and Steinebach (2024) call organisational triage, in which an agency facing more demand than its portfolio can absorb prioritises rather than expands and that Kumar (2024) documents in Mumbai's water complaints. The comparison should not be pushed far, because a redressal rate of 97.3 per cent over thirteen years is well above the forty-four per cent Kumar reports and above the position in half of India's states as reported by O'Brochta (2022): by the standards of Indian public service delivery, SCORES performs well. The narrower point is that a system converting receipts into closures at an elasticity below one will carry a stock and that stock is the proper target of managerial attention.

The enforcement side shows the opposite configuration, where the volume constraint is real and recent. Intake tripled in three years while completions rose by about two thirds, the completion ratio fell to 73.1 per cent and a positive cumulative gap opened. Jackson and Roe (2009) argue that the meaningful measure of public enforcement is resources relative to market size and Eisenbach, Lucca and Townsend (2022) show that when supervisory hours are scarce their shadow cost rises and the allocation across supervised entities shifts. Neither SEBI's staffing nor its case level timelines are in the tables used here, so this paper cannot estimate that shadow cost and does not claim to. What it can say is that the observable symptoms of a binding resource constraint, rising intake, falling throughput and an accumulating gap, are all present in the enforcement series for the last three years and are concentrated in the case category most demanding of specialised skill.

A further inference is available and is marked as an interpretation rather than a finding. The shift from market manipulation to insider trading is not plausibly a shift in the underlying incidence of misconduct over twelve years; it is more plausibly a shift in detection capability, since insider trading is found by surveillance systems that connect trading records to corporate disclosures and to networks of persons and those systems have improved substantially. On that reading the composition change is evidence of capability gained and the completion gap is the cost of that capability working through a pipeline sized for a different case mix.

For the wider theme of governance and public policy the implication is that regulatory capacity in a financial market is not adequately described either by the quality of the rules or by the volume of enforcement. It is described by throughput: the rate at which an agency converts demands into disposals and the stock it carries when that rate falls short. Both are measurable from data the regulator already publishes and both belong in how the performance of a regulator is discussed in public policy.

7. Recommendations

Five recommendations follow directly from the evidence and each is stated with the finding that supports it.

First, capacity should be reported and budgeted against market activity rather than against complaint counts. The grievance load per ₹ lakh crore of turnover fell by eighty per cent while enforcement intake tripled, which means that the two functions face opposite trends and should not be resourced by a common rule of thumb. An annual capacity statement in the regulator's annual report, setting disposals and pending stock against turnover, market capitalisation and the registered population on a stated constant coverage basis, would make this visible.

Second, the pending stock should be published with an ageing profile. The single most useful number that the present tables do not contain is the age distribution of unredressed grievances. A stock equivalent to 28.6 months of receipts is compatible with many different distributions and the policy response to a stock composed of recent complaints is quite different from the response to a stock composed of cases many years old. Ageing brackets of the kind used in banking supervision would cost nothing to publish and would allow the stock to be managed rather than merely counted.

Third, disposal capacity should be made counter cyclical. The elasticity of 0.683 shows that surges are absorbed only partially and the surges are identifiable in advance: they follow episodes of market stress and of rapid new entry, as in 2019-20 and 2024-25. A standing arrangement for surge handling, whether by a panel of empanelled case handlers, by temporary reallocation within SEBI, or by a wider role for the designated bodies created by the September 2023 circular, would convert a recurring accumulation into a managed peak.

Fourth, the enforcement pipeline should be resourced for the case mix it has actually acquired. Two thirds of investigations taken up are now insider trading cases, against one eighth at the start of the period and the completion ratio has fallen to 73.1 per cent while a cumulative gap of 210 cases has opened. Specialist capacity in forensic data analysis, electronic evidence and the law of connected persons is the specific input implied and a published ageing of investigations, parallel to the ageing of grievances recommended above, would show whether the gap is concentrated in that category.

Fifth, the effect of SCORES 2.0 should be evaluated on data that can support an evaluation. Two annual observations cannot identify the effect of a reform that took effect on 1 April 2024, as Section 5.5 shows. SEBI already publishes monthly SCORES disposal figures in press form; consolidating them into a consistent monthly series, with receipts, disposals, pending stock and the number of complaints escalated to the second level, would allow the twenty-one-day timeline to be evaluated properly within a year or two. For a reform whose object is timeliness, timeliness data are the natural test.

8. Conclusion and limitations

The capacity of SEBI to deliver its investor facing services has not been overwhelmed by the growth of the Indian securities market. Measured against turnover, the burden of complaint handling has fallen by about eighty per cent since 2013-14andthe accumulated stock of unredressed grievances has fallen from 46.2 to 28.6 months of current receipts. What the evidence does show is a conversion constraint on the redressal side, where closures respond to receipts with an elasticity of 0.683 and each surge leaves a residue that has accumulated to about 1.48 lakh cases and a volume and composition constraint on the enforcement side, where intake tripled in three years, the case mix shifted decisively towards insider trading, the completion ratio fell to 73.1 per cent and a cumulative gap of 210 cases has opened.

Four limitations bound these conclusions. The panel has thirteen annual observations, which is why no structural break can be established and why the step tests are reported as inconclusive rather than as null results. The stock of unredressed grievances is a net difference between cumulative receipts and redressals, not a case level pendency register. No published series of investor accounts is used, so no per investor denominator is reported and the paper cannot speak to the share of grievances that never reach the regulator, which is the most important thing it does not know. And the inputs that would complete the analysis, staffing, the budget for the redressal and investigation functions and case level ageing, are not in the tables used here, so the paper measures outputs and infers constraints. Each limitation is a request for data rather than a reason to withhold the finding and the finding is that the throughput of a regulator, measurable from what it already publishes, deserves a place in how the quality of regulation is judged.

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