

**Deputy General Manager
Market Regulation Department**

MRD/ DoP / SE / Cir- 10 /2009
September 03, 2009

**The President/Executive Director/
Managing Director of all the Stock Exchanges**

Dear Sir / Madam,

Sub: Disclosure of investor complaints and arbitration details on Stock Exchange website

1. SEBI has received feedback from investors and their associations to bring in more transparency in the grievance redressal available in the Stock Exchanges. Based on the feedback and inputs received from the concerned entities, transparency in grievance redressal is identified as a key area to augment investor protection. It is envisaged that transparency will also improve the general functioning of the market by providing investors the wherewithal to make informed choice.
2. Accordingly, it has been decided that, to start with, Stock Exchanges shall henceforth disclose the details of complaints lodged by clients / investors against trading members and companies listed in the exchange, in their website. The aforesaid disclosure shall also include details pertaining to arbitration and penal action against the trading members.
3. The format for the report for the aforesaid disclosure, prepared with inputs from the Stock Exchanges, is given as annexure to this circular (14 pages), consisting of the following reports:
 - a. Report 1A – Complaints received from clients against trading members during the current financial year.
 - b. Report 1B – Redressal of complaints lodged by clients against trading members during the previous financial year.
 - c. Report 1C – Redressal of complaints lodged by clients against trading members during the current financial year.
 - d. Report 2A – Complaints received from investors against listed companies during the current financial year.
 - e. Report 2B – Redressal of complaints lodged by investors against listed companies during the previous financial year.
 - f. Report 2C – Redressal of complaints lodged by investors against listed companies during the current financial year.
 - g. Report 3A – Disposal of arbitration proceedings (where client is a party) during the previous financial year.
 - h. Report 3B – Disposal of arbitration proceedings (where client is a party) during the current financial year.

- i. Report 4A – Penal actions against trading members during the previous financial year.
 - j. Report 4B – Penal actions against trading members during the current financial year.
4. The Stock Exchanges are accordingly advised to:
- a. bring the provisions of this circular to the notice of the trading members and the companies listed in the Exchange and also to disseminate the same on the website.
 - b. arrange to disclose details as per the aforesaid reports in their website within a period of one month from the date of this circular on a continuous basis.
 - c. arrange to update the aforesaid reports on a quarterly basis, except the reports 1A and 2A, which shall be updated on a weekly basis.
 - d. make amendments to the relevant bye-laws, rules and regulations for the implementation of the aforesaid disclosures, if necessary.
 - e. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.
5. For any clarification in this matter, the Chief General Manager, Office of Investor Assistance and Education, SEBI may be contacted at 26449400.
6. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Harini Balaji

Report 2A: Complaints received from investors against Listed Companies during 2009-10: Updated on mm dd yyyy (to be updated weekly) (In excel sheet)

Sl. No.	Details of Complaint				Status of Complaint				
	Date of Receipt	Name of Client	Name of Company	Type of Complaint*	Status**	Status Date#	Date of Filing Arbitration	Name of Arbitrator(s)	Date of Arbitration Award
1									
2									
3									
4									
5									
6									
7									
N									

#Status date is the date of resolution/reference to arbitration/finding it non-actionable. If under process, it is the date of updation of this sheet.

*/** As per Table 2A

Reports 3A: Disposal of Arbitration Proceedings (where client is a party) during 2008-09: Updated on mm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No. of Awards Passed	No. of Awards in favor of Clients		No. of Awards implemented	No. of Awards appealed	No. of cases pending for redressal at the end of period		
			Filed by TM	Filed by Clients			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
4									
5									
6									
7									
8									
9									
N									
Total									

(In case of panel of arbitrators, the cases / awards would appear against every member of the panel)
 (Arrange the arbitrators in descending number of awards passed by them during the period)

Report 3B: Disposal of Arbitration Proceedings (where client is a party) during 2009-10: Updated on mm dd yyyy (to be updated every quarter) (In excel sheet)

Sl. No.	Name of Arbitrator	No. of Awards Passed	No. of Awards in favor of Clients		No. of Awards implemented	No. of Awards appealed	No. of cases pending for redressal at the end of period		
			Filed by TM	Filed by Clients			Pending	For more than 6 months	For more than 3 months, but less than 6 months
1									
2									
3									
4									
5									
6									
7									
8									
9									
N									
Total									

(In case of panel of arbitrators, the cases / awards would appear against every member of the panel)
 (Arrange the arbitrators in descending number of awards passed by them during the period)

Report 4B: Penal Actions against Trading Members during 2009-10: Updated on mm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of Trading Member	Registration No.	No. of Complaints received	Action against TM, its sub-brokers / authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against
				For complaints	For others	For complaints	For others	
1								
2								
3								
4								
5								
6								
7								
8								
9								
N								

Table 1A
For Report 1A

* Type of Complaints	
Type	Description
I	Non-receipt / delay in payment:
I a	Delay in payment
I b	Non-receipt of payment
I c	Delay in refund of margin payment
I d	Non settlement of accounts
II	Non-receipt / delay in securities:
II a	Delay in delivery
II b	Non-receipt of delivery
II c	Delay in refund of margin deposit
II d	Non settlement of accounts
III	Non-receipt of documents:
III a	Contract notes
III b	Bills
III c	Account statements
III d	Agreement copies
IV	Unauthorized trades / misappropriation:
IV a	Unauthorized trades in client account
IV b	mis-appropriation of client's funds / securities
V	Service related:
V a	Excess brokerage
V b	Non-execution of order
V c	Wrong execution of order
V d	Connectivity / system related problem

V e	Non-receipt of corporate benefits
V f	Other service defaults
VI	Closing out / squaring up:
VI a	Closing off / squaring up position without consent
VI b	Dispute in Auction value / close out value
VII	Non implementation of arbitration award
VIII	IPO related
IX	Others

** Status	
Type	Description
I	Non actionable
I a	Complaint incomplete
I b	Outside the scope of stock exchange
II	Resolved
III	Under Process
IV	Referred to Arbitration

Table 2A
For Report 2A

* Type of Complaints	
Type	Description
I	Non-receipt of money:
I a	Refund in Public / Rights issue
I b	Interest on debt securities
I c	Redemption of debt securities
I d	Fractional entitlement
II	Non-receipt of Equity shares (demat & Physical):
II a	In Public / Rights issue (including allotment letter)
II b	Remat
II c	Transfer
II d	Transmission
II e	Conversion / endorsement / consolidation / splitting / duplicate certificate
III	Non-receipt of Debt securities (demat & Physical):
III a	In Public / Rights issue
III b	Remat
III c	Transfer
III d	Transmission
III e	Conversion / endorsement / consolidation / splitting / duplicate certificate
IV	Non-receipt of corporate benefits / entitlements:
IV a	Dividend
IV b	Bonus
IV c	Rights form
IV d	Buyback letter of offer
IV e	Delisting letter of offer
IV f	Annual Report
V	Non-receipt of interest for delay in:

V a	Refunds
V b	Dividend
V c	interest on debt security
V d	Redemption of debt security
V e	Securities
VI	Others: (including non adherence to corporate governance norms)

** Status	
Type	Description
I	Non actionable
I a	Complaint incomplete
I b	Outside the scope of stock exchange
II	Resolved
III	Under Process
IV	Referred to Arbitration