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SEBI/MRD/ OIAE/ Dep/ Cir- 4/2010
January 29, 2010

- 1. The Managing Director and CEO, NSDL**
- 2. The Managing Director and CEO, CSDL**

Dear Sir / Madam,

Sub: Disclosure of investor complaints and arbitration details on Depository website

1. SEBI has received feedback from investors and investor associations to improve transparency in the 'grievance redressal mechanism'. Based on the feedback and inputs received from them 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 the Depositories shall henceforth disclose the details of complaints lodged by Beneficiary Owners (BO's)/ investors against Depository Participants (DPs) in their website. The aforesaid disclosure shall also include details pertaining to arbitration and penal action against the DPs.
3. The format for the reports for the aforesaid disclosure, prepared following due deliberations and inputs from the Depositories, are given as annexure to this circular (12 pages), consisting of the following reports:
 - a. Report 1A: Complaints received against DPs during 2009-10
 - b. Report 1B: Redressal of Complaints received against DPS during 2008-09
 - c. Report 1C: Redressal of Complaints received against DPs during 2009-10
 - d. Report 2A: Details of Arbitration Proceedings (where Investor is a party) during 2008-09:
 - e. Report 2B: Details of Arbitration Proceedings (where Investor is a party) during 2009-10
 - f. Report 3A: Penal Actions against DPs during 2008-09
 - g. Report 3B: Penal Actions against DPs during 2009-10
 - h. Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09

- i. Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10
- j. The Depositories are accordingly advised to:
 - a. bring the provisions of this circular to the notice of the DPs, Companies and their Registrar & Transfer Agents (RTA's) 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, 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;
- k. For any clarification in this matter, the Chief General Manager, Office of Investor Assistance and Education, SEBI may be contacted at 26449400.
- l. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 19 of the Depositories Act, 1996 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 1A: Complaints received against Depository Participants (DPs)# during 2009-10: Updated on mmm dd yyyy
(to be updated weekly) (In excel sheet)**

[illegible]

including against its authorized persons, employees, etc.

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 1A

Report 1B: Redressal of Complaints received against Depository Participants (DPs) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

[illegible]

*including against its authorized persons, employees, etc.

****Non actionable** means the complaint that are incomplete / outside the scope of Depository (Arrange the DPs in descending number of complaints filed against them during the period)

Report 1C: Redressal of Complaints received against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

[illegible]

*including against authorized persons, employees, etc.

****Non actionable** means the complaint that are incomplete / outside the scope of Depository
(Arrange the DPs in descending number of complaints filed against them during the period)

Report 2A: Details of Arbitration Proceedings (where BO is a party) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

[illegible]

(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 2B: Details of Arbitration Proceedings (where BO is a party) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (In excel sheet)

[illegible]

(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 3A: Penal Actions against Depository Participants (DPs) during 2008-09: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 3B: Penal Actions against Depository Participants (DPs) during 2009-10: Updated on mmm dd yyyy (to be updated every quarter) (in excel sheet)

Sl. No.	Name of DP	Registration No.	No. of Complaints received	Action against DP, its authorized person and employees together				
				No. of Penal Orders issued		Monetary Penalties levied (Rs. lakh)		No. of Arbitration Awards issued against DP
				For complaints	For others	For complaints	For others	
1								
2								
3								
N								

Report 4A: Redressal of Complaints lodged by investors against Listed Companies during 2008 -09: Updated on mmm dd yyyy (to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

***Non actionable** means the complaint that are incomplete / outside the scope of Depository
(Arrange the companies in descending number of complaints filed against them during the period)

Report 4B: Redressal of Complaints lodged by investors against Listed Companies during 2009 -10: Updated on mmm dd yyyy (to be updated every quarter) (In excel format)

Sl. No.	Name of the Company	No. of Complaints			
		Received	Redressed through Depository	Non-Actionable*	Pending for Redressal with Depository
1					
2					
3					
N					
Total					

***Non actionable** means the complaints that are incomplete / outside the scope of Depository
(Arrange the companies in descending number of complaints filed against them during the period)

Table 1 A

Type	Details
<i>Type I</i>	<i>Account Opening Related</i>
I a	Denial in opening an account
I b	Account opened in another name than as requested
I c	Non receipt of Account Opening Kit
I d	Delay in activation/ opening of account
I e	Non Receipt of copy of DP Client Agreement/Schedule A of Charges
<i>Type II</i>	<i>Demat/Remat Related</i>
II a	Delay in Dematerialisation request processing
II b	Delay in Rematerialisation request processing
II c	Delay in/ Non-Receipt of Original certificate after demat rejection
II d	Non Acceptance of demat/remat request
<i>Type III</i>	<i>Transaction Statement Related</i>
III a	Delay in/ Non-Receipt of Statements from DP
III b	Discrepancy in Transaction statement
<i>Type IV</i>	<i>Improper Service Related</i>
IV a	Insistence on Power of Attorney in its favour
IV b	Deactivation/ Freezing/ Suspension related
IV c	Defreezing related
IV d	Transmission Related
IV e	Pledge Related
IV f	SMS Related
IV g	Non-updation of changes in account (address/ signatories/bank details/ PAN/ Nomination etc.)
<i>Type V</i>	<i>Charges Related</i>
V a	Wrong/ Excess Charges
V b	Charges paid but not credited
V c	Charges for Opening/closure of Account
<i>Type VI</i>	<i>Delivery Instruction Related (DIS)</i>

VI a	Non acceptance of DIS for transfer
VI b	Delay in/ non Execution of DIS
VI c	Delay in Issuance / Reissuance of DIS Booklet
Type VII	Closure
VII a	Non closure/ delay in closure of account
VII b	Closure of a/c without intimation by DP
Type VIII	Manipulation/ Unauthorised Action
VIII a	Unauthorised Transaction in account
VIII b	Manipulation
VIII c	Unauthorised changes in account (address/ signatories/bank details/PAN etc.)
Type IX	Company/ RTA related
IX a	Action – Cash
IX b	Action – Non–Cash
IX c	Initial Public Offer/ Follow-on Public Offer Related
Type X	Others

** Status	
Type	Description
I	Non actionable
I a	Complaint incomplete
I b	Outside the scope of Depository
I c	Pertains to non-responding company.
II	Resolved
III	Under Process
IV	Referred to Arbitration
V	Forwarded to Company/RTA for appropriate action.