

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:242
ANSWERED ON:25.02.2000
COMPLAINT RECEIVED BY SEBI
AMBATI BRAHMANAIAH;UMMAREDDY VENKATESWARLU

Will the Minister of FINANCE be pleased to state:

- (a) whether SEBI has acted promptly on complaints from small investors on non-payment of dividend and replacement of lost certificates;
- (b) if so, the number of such complaints received by SEBI during 1998-99;
- (c) the number of such complaints redressed by SEBI;
- (d) the reasons for non-solution of remaining complaints; and
- (e) the steps proposed to be taken to re-orient SEBI to be more sensitive to share holder matters?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (V.DHANANJAYA KUMAR)

- (a): According to SEBI, under their investors' grievances redressal mechanism, complaints received by SEBI from investors against companies are acknowledged and a reference number is sent to the complainant. Each complaint is taken up with the concerned company with a periodical follow up by SEBI with a view to appropriately redressing the complaint. SEBI have informed that the rate of redressal including those pertaining to non-payment of dividend and issue of duplicate shares by companies is 95.55 per cent.
- (b) & (c): During the year 1998-99, SEBI received a total of 2685 complaints pertaining to non-receipt of share certificates against duly executed indemnity bond sent to the company and a total of 22,668 complaints pertaining to non-receipt of dividend. During the same period, 2590 and 24,087 complaints of the aforesaid types respectively were redressed through SEBI. However, these resolved grievances include grievances brought forward from the previous period.
- (d) The reasons for non redressal of grievances by companies are generally companies becoming sick, closing of operation and financial difficulties.
- (e) SEBI, the statutory market regulator, has been established to protect investors in securities. SEBI is sensitive to matters relating to small investors. This can be inferred from the rate of redressal of grievances of investors pursuant to efforts made by SEBI.