

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3688
ANSWERED ON:27.04.2012
COMPLAINTS RELATING TO RETAIL PARTICIPATION
Sivasami Shri C.

Will the Minister of FINANCE be pleased to state:

- (a) whether 70 per cent of the complaints with regard to capital market retail participation has been resolved; and
(b) if so, the details thereof and measures taken or proposed to be taken to further improve the efficiency of SEBI?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI NAMO NARAIN MEENA)

- (a) SEBI has reported that 70 per cent of the complaints with regard to capital market retail participation has been resolved.
(b) Generally, complaints received by SEBI are related to public issue, dividend, transfer and trading in securities of listed companies. SEBI also receives a large number of complaints against intermediaries registered with SEBI such as stock brokers, depository participants, mutual funds, collective investment schemes etc.

Information on complaints received and resolved by SEBI in the last three financial years is given below.

Sr.No. Financial Grievances Grievances Cumulative
Year Received Redressed Pending
(Cumulative) Grievances

1	2009-10	32,335	42,742	37,880
2	2010-11	56,670	66,552	28,653
3	2011-12	46,510	53,841	24,292

SEBI takes various measures to redress investor grievances. These include sending reminders to the concerned companies, organising meetings with them and issuing pre-enforcement letters for pending complaints. If, SEBI finds that the progress on the redressal of any investor's grievance is not satisfactory, it could take the following enforcement measures:

1. Action u/s 11B of SEBI Act, 1992 for passing directions restraining the companies and their directors from accessing the securities market for a certain period of time;
2. Initiation of Adjudication Proceedings u/s 15C of SEBI Act, 1992 for imposing monetary penalty;
3. Initiation of Prosecution proceedings u/s 24 of SEBI Act, 1992.

To further improve the efficiency in its complaints handling mechanism, SEBI has introduced a new web based centralized grievance redressal system called SCORES (SEBI Complaints Redress System) on June 08, 2011. Under the new system, all the activities of the complaint redressal mechanism beginning from the lodging of a complaint to its closure by SEBI can be monitored online.

As a new initiative, SEBI also launched a toll free helpline service number `1800 22 7575` on December 30, 2011 with a view to providing replies to the various queries on matters relating to the securities market.