

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:134  
ANSWERED ON:08.08.2012  
COMPLAINTS RECEIVED BY SEBI QUESTION  
Bhadana Shri Avtar Singh

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Securities & Exchange Board of India (SEBI) has received complaints against any company for violation of SEBI guidelines, corporate governance issues, misappropriation of public money, etc.;
- (b) If so, the details and nature of complaints received by SEBI during the last three years, including current year, year-wise and company-wise; and
- (c) the action taken by SEBI in this regard?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR1 NAMO NARAIN MEENA)

(a) & (b) As per the provisions of the SEBT Act, the Listing Agreement under Section 21 of Securities Contracts (Regulation) Act and the provision of Section 55A of the Companies Act, SEBI mainly deals with complaints relating to disclosures in offer documents, continuous disclosures requirements as per Listing Agreement, issue of capital, transfer of securities and non-payment of dividend. With regard to mis-appropriation of funds, complaints, if any, received by SEBI are forwarded to Ministry of Corporate Affairs for appropriate action. At present, SEBI has guidelines on Employee Stock Option (ESOP). SEBI has not received any complaint relating to this guideline either in the last, three years including the current year (2012-13). As regards complaints on governance issues relating to listed companies, the same are governed by the provisions of the Listing Agreement. SEBI receives complaints against companies, mainly relating to non-receipt of refund / allotment / dividend, non-transfer of shares etc. These complaints are dealt with as per the powers delegated to SEBI under section 55A of Companies Act, relating to issue, non-transfer and non-payment of dividend in respect of listed companies. The details of such complaints received during the period 2010 to 2012 (upto 31. July 2012) are at Annexure. The year-wise list of complaints relating to Corporate Governance for the period April 2009 till July 31, 2012 received by SEBI, is as follows:

2009-10	2010-11	2011-12	2012-13 (till July 31, 2012)
---------	---------	---------	------------------------------

No. of complaints	24	122	82	14
-------------------	----	-----	----	----

(c) The action taken by SEBI are as follows:

1. SEBI takes appropriate steps for resolving all complaints it receives. It takes them up with stock exchanges for appropriate action pertaining to the Listing Agreement on governance issues, At the instance of SEBI, the Stock Exchanges disclose the details of compliance or otherwise by the listed companies with respect to various requirements of Listing Agreement relating to corporate governance, on their website. At the instance of SEBI the Stock Exchanges have also taken action like suspension of trading for non-compliance with the Listing Agreement. During the Financial Year 2011-12, NSE and BSE have suspended trading in respect of 8 and 69 companies respectively for the aforesaid non-compliance.

2. SEBI also takes enforcement actions under various sections of SEBI Act, 1992 for non-redressal of investor grievances. As on 31 March 2012, SEBI is taking regulatory actions for non-redressal of investor grievances in case of 1,20,705 complaints (including complaints against Collective Investment Schemes).

3. In order to expedite the redressal of the grievances, SEBI had carried out an exercise of identifying top 100 companies and top 50 active companies (not suspended for trading) in terms of number of unresolved investor grievances. Based on such identification, SEBI has passed directions against 18 companies and its directors during the FY 2010-11 and 11 companies and its directors in FY 2011-12, restraining them from accessing the securities market till all the pending investor grievances are resolved.

4. Through the adjudication proceedings, SEBI has levied penalty against four and seven companies during the years 2010-11 and 2011-12 respectively, for their failure to redress investor grievances. During the FY 2011-12, adjudication proceedings have also been initiated against five more companies and proceedings under section 11(4)(b) of SEBI Act, 1992 against seven companies for their failure to redress grievances.