SENIOR EXECUTIVE DIRECTOR

SMD/RCG/PJ/268/96
January 19, 1996

To

The Presidents/Executive Directors
& Managing Directors of all the stock exchanges.

Dear Sir,

Please refer to the minutes of the meeting of all the Executive Directors/ Presidents/ Managing Directors of stock exchanges convened by SEBI on December 20-21, 1995. The following decisions taken concern the area of investor protection and investor service :

i) The amount of compensation available against a single claim of an investor arising out of default by a member broker of a stock exchange will be increased to Rs. 1 lakh incase of major stock exchanges, to Rs. 25,000/- in case of smaller stock exchanges viz. Gauhati, Bhubaneshwar, Magadh & Madhya Pradesh and to Rs. 50,000/- in case of other stock exchanges.

ii) The major stock exchanges will set up Investor Information Centres to provide information about the rights and obligations of investors as well as about the listed companies on the stock exchanges.

iii) The exchanges will speed-up their arbitration mechanism and will try to make redressal of complaints at the administration level rather than pushing most cases towards time consuming arbitration mechanism.

Bombay Stock Exchange to have non-members on its arbitration panel and send names for the same for SEBI's approval.

vi) The exchanges will issue Press Release every month indicating the names of top ten defaulting companies in respect of non- redressal of investor grievances.

v) The exchanges will display a list of the draft prospectuses received by it for the information of the public.

The above decisions are to be implemented expeditiously and the status thereof is to be reported in the monthly D.O. letters or through separate letters.

Yours faithfully,
sd/-

L K SINGHVI
SENIOR EXECUTIVE DIRECTOR