

ARBITRATION

Definitions:

‘Arbitrator’ shall mean a sole arbitrator or a panel of arbitrators.

‘Act’ shall mean the Arbitration and Conciliation Act, 1996 and includes any statutory modification, replacement or re-enactment thereof, for the time being in force.

Reference to Arbitration

(1) **A.** All claims, differences or disputes between the Trading Members inter se and between Trading Members and Constituents arising out of or in relation to dealings, contracts and transactions made subject to the Bye-Laws, Rules and Regulations of the Stock Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

B. All claims, differences or disputes between the Trading Members and Sub brokers and between Sub-brokers and Clients of Sub-brokers arising out of or in relation to dealings, contracts and transactions made subject to the Byelaws, Rules and Regulations of the Stock Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

Explanation: For the purpose of these Byelaws, Sub-broker and Clients will have the respective meanings assigned by SEBI (Stock-Brokers and Sub-Brokers) Regulations, 1992, provided the Sub-brokers have obtained SEBI registration under the Trading Member of the Stock Exchange.

C. All claims, differences or disputes between the Trading Members inter se, Trading Members and Constituents, whether or not registered as Participants, Constituents inter se, whether or not registered as Participants, arising out of or in relation to dealings, contracts and transactions executed or reported on the Wholesale Debt Market Trading Segment of the Stock Exchange and made subject to the Byelaws, Rules and Regulations of the Stock Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

Provided this Byelaw shall not in any way affect the jurisdiction of the Stock Exchange on the Trading Member, through whom such a Participant has dealt with or traded, in regard thereto and such Trading Member shall continue to remain responsible, accountable and liable to the Stock Exchange in this behalf.

D. The provisions of Bye laws (A), (B), (C) shall become applicable to all claims, differences, disputes between the parties mentioned therein for all dealings, contracts and transactions made subject to the Bye laws, Rules and Regulations of the Stock Exchange provided such dealings, contracts and transactions had been entered into between the parties mentioned therein prior or to the date on which the Trading Member was either declared a defaulter or expelled or has surrendered his trading membership.

E. All claims, differences or disputes arising between an Issuer and a Constituent in respect of such matters as may be specifically provided from time to time in the Listing Agreement as entered into by an Issuer with the Stock Exchange shall be submitted to arbitration in accordance with the provisions of these Byelaws and Regulations.

Explanation: For the purpose of these Byelaws and Regulations, the term 'Issuer' shall have the same meaning as defined in these Byelaws and the term 'Constituent' shall mean the investor who has bought or sold, on the Stock Exchange, the securities of the Issuer in respect of which the claim, differences or dispute has arisen.

Provisions of these Byelaws and Regulations deemed to form part of all dealings, contracts and transactions

(2) In all dealings, contracts and transactions, which are made or deemed to be made subject to the Byelaws, Rules and Regulations of the Stock Exchange, the provisions relating to arbitration as provided in these Byelaws and Regulations shall form and shall be deemed to form part of the dealings, contracts and transactions and the parties shall be deemed to have entered into an arbitration agreement in writing by which all claims, differences or disputes of the nature referred to in Bye laws (A), (B) (C) and (D) above shall be submitted to arbitration as per the provisions of these Byelaws and Regulations.

Limitation period for reference of claims, differences or disputes for arbitration

3[(3) All claims, differences or disputes referred to in Bye laws 1 (A), (B), (C) and (D) above shall be submitted to arbitration within the period prescribed under the Limitation Act, 1963.]

Explanation:-

(1) In cases where the date of claim, difference or dispute is not ascertainable, it shall be deemed to have arisen on the date of expiry of Three Years from the date of the transaction in respect of which the claim, difference or dispute has arisen.

(2) In cases where the date of claim, difference or dispute arising out of Byelaw 1, E of Chapter XI of the Bye-laws is not ascertainable, it shall be deemed to have arisen as follows:

(a) In cases where the Issuer fails to communicate to the Constituent the transfer of shares, the date of dispute shall be deemed to have arisen on the date of expiry of Three Years from the date of expiry of 30 days from the date of lodgment of shares by the Constituent for transfer with the Issuer; or

(b) In cases where the Issuer refuses to transfer the shares, the date of dispute shall be deemed to have arisen on the date of expiry of Three Years from the date of receipt of communication of Issuer refusing to transfer the shares in favour of the Constituent.

(c) In cases where the Issuer delays the transfer of shares of the Constituent beyond the stipulated period, the date of dispute shall be deemed to have arisen on the date of expiry of Three Years from the date of expiry of 30 days from the date of lodgment of shares by the Constituent for transfer with the Issuer; or the date of receipt of communication of the Issuer to the Constituent intimating the transfer of shares in favour of the Constituent, whichever is later.

Power of the Relevant Authority to prescribe Regulations

(4) (a) The Relevant Authority may, from time to time prescribe Regulations for the following:

(i) The procedure to be followed by the parties in arbitral proceedings.

³ Substituted with effect from March 02, 2012. Prior to substitution Bye-law 3 read as follows:

“(3) All claims, differences or disputes referred to in Bye laws 1, (A), (B), (C) and (D) above shall be submitted to arbitration within Three years from the date on which the claim, difference or dispute arose or shall be deemed to have arisen. The time taken in conciliation proceedings, if any, initiated and conducted as per the provisions of the Act and the time taken by the Relevant Authority to administratively resolve the claim, differences or disputes shall be excluded for the purpose of determining the period of three years.”

In particular, and without prejudice to the generality of the foregoing power, such procedure may, inter alia, provide for the following:

(a) the forms to be used;

(b) the fees to be paid;

(c) the mode, manner and time period for submission of all pleadings by both the parties;

(d) matters relating to requests from the parties for amending or supplementing the pleadings;
and

- (e) the consequences upon failure to submit such pleadings by the parties.
- (ii) The procedure to be followed by the arbitrator in conducting the arbitral proceedings. In particular, and without prejudice to the generality of the foregoing power, such procedure may, inter alia, provide for
 - (a) adjournment of hearings; and
 - (b) terms and conditions subject to which the arbitrator may appoint experts to report on specific issues and the procedure to be followed in arbitral proceedings upon such an appointment.
 - (iii) Different set of arbitration procedures for different claims, differences or disputes after taking into consideration such circumstances and facts as the Relevant Authority may deem fit, which circumstances and facts may include the value of the subject matter and the persons who are involved as parties to such claims, differences or disputes.
 - (iv) Creation of seats of arbitration for different regions or prescribing geographical locations for conducting arbitrations and prescribing the courts which shall have jurisdiction for the purpose of the Act.
 - (v) The claims, differences or disputes which may be referred to a sole arbitrator and the claims, differences or disputes which may be referred to a panel of arbitrators.
 - (vi) The procedure for selection of persons eligible to act as arbitrators.
 - (vii) The procedure for appointment of arbitrator.
 - (viii) The terms, conditions and qualifications subject to which any arbitrator may be appointed.
 - (ix) Determination of the number of arbitrators in the case of a panel of arbitrators, subject to the condition that where any claim, difference or dispute is heard and determined by Panel of Arbitrators, the number of arbitrators of such a panel shall not be an even number and shall not include Trading Members.
 - (x) The time period within which a substitute arbitrator has to be appointed in case the office of the arbitrator falls vacant for any reason whatsoever.

(xi) The matters to be disclosed by any person who is approached in connection with his possible appointment as an arbitrator.

(xii) The procedure to be adopted by the parties for challenging an arbitrator.

(xiii) (a) The claims, differences or disputes which, may be decided by the arbitrator without a hearing unless either party in writing requests the Relevant Authority for a hearing and the time period within which such a request shall be made.

(b) The claims, differences or disputes which, may be decided by the arbitrator only by hearing the parties unless both the parties jointly waive the right to such hearing and the time period within which such a waiver shall be made.

(xiv) The place of arbitration for each reference and the places where the arbitrator can meet for consultation, for hearing witnesses, experts, or the parties, or for inspection of documents, goods or other property.

(xv) The making of the arbitral award including the manner in which a decision is to be taken in the case of pane l of arbitrators and the form and contents of the arbitral award.

The term arbitral award shall also include an arbitral award on agreed terms. Prescriptions as to the contents of the arbitral award may include provisions for costs and where the arbitral award is for the payment of money, may include interest payable on principal sum due.

(xvi) The amount of deposit or supplementary deposit, as the case may be, as an advance for the costs which it expects will be incurred in respect of the claim, difference or dispute; provided where a counter-claim is submitted to the arbitrator, a separate amount of deposit for the counter-claim may also be prescribed.

(xvii) The administrative assistance which the Stock Exchange may render in order to facilitate the conduct of arbitral proceedings.

(xviii) All matters regarding the mode and the manner of service of notices and communications by the parties including communication addressed to arbitrator.

(xix) Any other matter which in the opinion of the Relevant Authority is required to be dealt with in the Regulations to facilitate arbitration.

(b) The Relevant Authority from time to time may amend, modify, alter, repeal, or add to the provisions of the Regulations.

Disclosure by persons to be appointed as arbitrators

(5) Every person who is approached in connection with his possible appointment as an arbitrator, shall disclose to the Relevant Authority in writing any circumstances likely to give rise to justifiable doubts as to his independence and impartiality. If the person discloses any circumstances which in the opinion of the Relevant Authority are likely to give rise to justifiable doubts as to his independence and impartiality, then he shall not be appointed as an arbitrator.

Disclosure by persons appointed as arbitrators

(6) An arbitrator, from the time of his appointment and throughout the arbitral proceedings, shall, without delay, disclose to the Relevant Authority in writing any circumstances referred to in Byelaw (5) above which have come to his knowledge after his appointment as an arbitrator.

Termination of mandate of the arbitrator

(7) The mandate of the arbitrator shall terminate if

(a) the arbitrator withdraws from office for any reason; or

(b) in the opinion of the Relevant Authority, the arbitrator becomes de jure or de facto unable to perform his functions or for other reasons fails to act without undue delay including failure to make the arbitral award within the time period prescribed by the Relevant Authority. Such a decision of the Relevant Authority shall be final and binding on the parties; or

(c) the mandate of the arbitrator is terminated by the Relevant Authority upon receipt of written request for the termination of the mandate of the arbitrator from both the parties to arbitration; or

(d) the arbitrator discloses any circumstances referred to in Byelaws (5) and (6) which in the opinion of the Relevant Authority are likely to give rise to justifiable doubts as to his independence and impartiality.

(e) the arbitral proceedings are terminated as provided for herein.

Supplying of vacancy to the office of the arbitrator

(8) At any time before the making of the arbitral award should the office of the arbitrator fall vacant for any reason whatsoever including any vacancy due to the illness or death of the arbitrator or termination of the mandate of the arbitrator by the Relevant Authority or otherwise, the vacancy shall be supplied by the Relevant Authority by following the same procedure as specified by it for appointment of the arbitrator.

Consideration of recorded proceedings and evidence

(9) Unless otherwise agreed by parties, any arbitrator who has been appointed by the Relevant Authority to supply a vacancy to the office of the arbitrator, may repeat any hearings previously held.

Order or ruling of previous arbitrator not invalid.

(10) An order or ruling of the arbitrator made prior to the termination of his mandate shall not be invalid solely because his mandate has been terminated; Provided that when the termination has been effected pursuant to Byelaw (7)(d), the order or ruling of the arbitrator made prior to termination of his mandate shall become invalid unless otherwise agreed upon by the parties.

Interim arbitral award and interim measures ordered by the arbitrator

(11) The arbitrator may be empowered to make an interim arbitral award as well as to provide interim measures of protection. An arbitrator may require a party to provide appropriate security in connection with an interim measure.

Appearance in arbitral proceedings by counsel, attorney or advocate

(12) In arbitral proceedings where both the parties are Trading Members, the parties shall not be permitted to appear by counsel, attorney or advocate but where one of the parties is a Constituent, then the Constituent shall be permitted to appear by counsel, attorney or advocate. If the Constituent chooses to appear by counsel, attorney or advocate, then the Trading Member and Issuer shall be granted a similar privilege.

4[(13) (a) Time for appointment of Arbitrator

4 Substituted with effect from March 02, 2012. Prior to substitution Bye-law 13 read as follows:

(13) (a) Adjournment: Adjournment, if any, shall be granted by the arbitrator only in exceptional cases, for bonafide reasons to be recorded in writing.

(b) Time for completion of Arbitration: The arbitrator shall make the arbitral award normally within 3 months from the date of entering upon the reference.

(c) Request for extension: The time taken to make the award may not be extended beyond 3 times, by the Managing Director or Relevant Authority on an application by either of the parties or the arbitrator, as the case may be. Notwithstanding the extensions granted in the above manner, the arbitrator shall make the arbitral award within a period of six months from the date of entering into reference i.e. extension of time of award can be for a maximum period of three months.

(d) Date of entering reference: For the purposes of these bye- laws, the arbitrator shall be deemed to have entered upon a reference on the date on which the arbitrator has held the first hearing. However, if no hearing is required or the parties waive their right of hearing and the arbitrator proceeds to decide the matter without a hearing, then the arbitrator shall be deemed to have entered upon a reference on the date of acceptance of arbitration by the arbitrator.”

Where an arbitration application is made, the appointment of arbitrator or panel of arbitrators, shall be completed within thirty days of receipt of the application.

(b) Adjournment

Adjournment, if any, shall be granted by the arbitrator only in exceptional cases, for bonafide reasons to be recorded in writing

(c) Time for Completion of Arbitration

The arbitrator(s) shall conclude the arbitration reference within four months from the date of their appointment, by issuance of an arbitral award.

(d) Request for extension

The Managing Director or an Executive Director may, on an application by either party or the arbitrator(s) and for sufficient cause to be recorded in writing, extend the time for making of arbitral award by not more than two months, on a case to case basis.]

5[Implementation of Arbitral Award

(14) Notwithstanding anything contained in the Bye-laws, in cases where the arbitral award or appellate arbitral award is passed against the Trading Member and/or its sub-brokers and in favour of a Constituent, the Stock Exchange shall debit from the deposits or other monies of the Trading Member lying with the Stock Exchange, the amount of award payable to the awardee together with interest payable, if any, till the date of debit after setting off the counter claim of the Trading Member and /or its sub-brokers allowed under the award, if any, and keep aside the said amount in a separate account to be dealt with in such manner as mentioned in Bye-laws 15 and 15A.]

Provided that, where the award is for the delivery of securities, the Stock Exchange may consider the closing price of such securities on the Stock Exchange as on the date of the award or such other date the relevant authority may specify to be reasonable, stating reasons for arriving at the value of such securities and award amount.

5 Substituted with effect from March 02, 2012. Prior to substitution Bye-law 14 read as follows:

“(14) Notwithstanding anything contained in the Byelaws, in cases where the arbitration award is passed against the Trading Member and/or its sub-brokers and in favour of a Constituent, the Stock Exchange may debit from the deposits or other monies of the Trading Member lying with the Stock Exchange, the amount of award payable to the awardee together with interest payable, if any, till the date of debit after setting off the counter claim of the Trading Member and /or its sub-brokers allowed under the award, if any, and keep aside the said amount in a separate account to be dealt with in such manner as mentioned in Byelaw 13B below.”

6[Payment of Debited Amount to Clients

(15) (a) Arbitral Award:- Where the Trading Member/ Sub-broker chose not to prefer an appeal under Bye-law 21 within the time permissible there under, the amount debited under Bye-law 14 shall be paid, together with the interest earned thereon, to the awardee.

(b) Appellate Arbitral Award:- Where an appeal is preferred by the Trading Member/ Sub-broker under Bye-law 21 and the appellate arbitral tribunal makes an appellate arbitral award against the Trading Member/ Sub-broker the Stock Exchange shall pay the awarded amount to the awardee from the amount debited under Bye-law 14:-

(i) where no application is made by the Trading Member/ Sub-broker under Section 34 of the Arbitration and Conciliation Act, 1996 to challenge such arbitral award within the limitation period for making such application, upon expiry of such limitation period;

- (ii) where such an application is made by the Trading Member/ Sub-broker, and no stay is granted by the court within three months from the date of receipt of appellate arbitral award by him, upon completion of such three months;
- (iii) in any other case, upon dismissal of the application by the court.]

7[Reversal of Debit in Certain Cases

(15A) Where the arbitral award or the appellate arbitral award against the trading member or sub-broker has been set aside or has been modified by reduction of awarded amount, and such setting aside or modification has attained finality, the stock exchange may reverse the debit, in full or in part, as the case may be, and pay the reduced amount, if any, to the awardee.]

Arbitration proceedings subject to the provisions of the Act

(16) The arbitration proceedings as provided for by the provisions of these Byelaws and Regulations shall be subject to the provisions of the Act to the extent not provided for in these Byelaws or the Regulations.

Construction of references

(17) For the purposes of section 2(6) of the Act, in all claims, differences or disputes which are required to be submitted to arbitration as per the provisions of these Byelaws and the Regulations, wherever Part 1 of the Act leaves the parties free to determine a certain issue, the parties shall be deemed to have authorised the Relevant Authority to determine that issue.

6 Substituted with effect from March 02, 2012. Prior to substitution Bye-law 15 read as follows:
“(15) The Stock Exchange may make the payment of said amount so kept aside in a separate account, to the awardee only after a confirmation was obtained from the trading member to the effect that no appeal has been filed by him and whereas if the award is set aside partially or fully, then the Stock Exchange may reverse the debit to that extent and restore the same to the credit of the Trading Member and make the payment of the reduced award amount to the awardee.”

7 Inserted with effect from March 02, 2012.

Administrative assistance

(18) For the purpose of section 6 of the Act, in all claims, differences or disputes which are required to be submitted to arbitration as per the provisions of these Byelaws and Regulations, the parties shall be deemed to have arranged for administrative assistance of the Relevant Authority in order to facilitate the conduct of the arbitral proceedings.

8[Jurisdiction

(19) All parties to a reference to arbitration under these Bye-laws and Regulations and the persons claiming under them, shall be deemed to have submitted to the exclusive jurisdiction of the competent court nearest to the regional arbitration centre where appellate arbitral proceedings were conducted.]

Exclusion

(20) For removal of doubts, it is hereby clarified that the Stock Exchange shall not be construed to be a party to the dealings, contracts and transactions referred to under these Byelaws; and the provisions of this Chapter shall not apply in case of claims, differences or disputes between the Stock Exchange and a Trading Member and no arbitration shall lie between the Stock Exchange and a Trading Member.

9[Appellate Arbitration

(21) Any party aggrieved by an arbitral award made under these Bye-laws shall have a right of appeal, in terms of the following:-

(a) A party aggrieved by an arbitral award may appeal against such award to the appellate panel of arbitrators to be constituted by the Stock Exchange within one month from the date of receipt of arbitral award.

(b) The relevant authority shall thereupon constitute an appellate panel consisting of three arbitrators who shall be different from the ones who passed the arbitral award appealed against.

(c) Such constitution of appellate panel of arbitrators shall be completed by relevant authority within thirty days from the date of receipt of the appeal.

(d) The appeal shall be disposed of within three months from the date of appointment of appellate panel of arbitrators, through issuance of an appellate arbitral award.

⁸ Substituted with effect from March 02, 2012. Prior to substitution Bye-law 19 read as follows:

“(19) All parties to a reference to arbitration under these Byelaws and Regulations and the persons, if any, claiming under them, shall be deemed to have submitted to the exclusive jurisdiction of the courts in Mumbai or any other court as may be prescribed by the Relevant Authority for the purpose of giving effect to the provisions of the Act.”

⁹ Inserted with effect from March 02, 2012.

(e) The Managing Director or an Executive Director may, on an application by either party or the appellate panel of arbitrators and for sufficient cause to be recorded in writing, extend the time for making of appellate arbitral award by not more than two months, on a case to case basis.

(f) A party aggrieved by the appellate arbitral award may file an application to the Court of competent jurisdiction to challenge the appellate award in accordance with Section 34 of the Arbitration and Conciliation Act, 1996.

(g) Except where specific provision is made in this Bye-law, the provisions of Bye-laws (5) to (20) of this Chapter and the Regulations shall mutatis mutandis apply to appellate arbitrators, appellate arbitration proceedings and appellate arbitral awards.]

INVESTOR PROTECTION FUND

- (1) In respect of such market segment of the Stock Exchange as may be prescribed by the Stock Exchange, an Investor Protection Fund (IPF) to be held in trust by Stock Exchange Investor Protection Fund Trust (Trust) shall be maintained to make good claims for compensation which may be submitted by a trading member's Constituent who suffers loss arising from the said trading member being declared as a defaulter by the Stock Exchange under Chapter XV. No claim of a claimant, who is a Trading Member of the Stock Exchange or an associate of a Trading Member, shall be eligible for compensation from the IPF unless he has acted as a Constituent of the said trading member to the extent permitted by the Stock Exchange.
- (2) Subject to this Part, the amount which any claimant shall be entitled to claim as compensation shall be the amount of the actual loss suffered by him less the amount or value of all monies or other benefits received or receivable by him from any source in reduction of the loss.
- (3) The amount that may be paid under this Part to a claimant shall not exceed such amount as may be decided by the Trust from time to time. The Trust shall disburse the compensation to the claimants as and when claims have been crystallised against the defaulter and admitted for payment by the Trust based on the recommendations, if any, of the Defaulters' Committee and such compensation shall not be more than the maximum amount fixed for a single claim.
- (4) Notwithstanding anything contained in any other Byelaw, the Trust shall have the power to utilise the interest income earned on the investments made out of IPF, either in part or whole, for educating investors, creating awareness among the investor community at large and for any research connected therewith or incidental thereto.
- (5) The Stock Exchange shall publish in all editions of at least one English national daily with wide circulation and in at least one regional language daily with wide circulation, a notice specifying a date not being less than 3 months after the said publication, on or before which claims for compensation shall be made in relation to the defaulter specified in the notice. The notice shall contain the specified period, the maximum compensation limit for a single claim of a claimant, etc. The said notice shall also be displayed on the premises of the Stock Exchange as well as on the web-site of the Stock Exchange for the entire specified period.
- (6) A claim for compensation in respect of a default shall be made in writing to the Stock Exchange on or before the date specified in the said notice and any claim which is not so made shall be barred unless the Trust otherwise determines. The Stock Exchange shall process the claims in accordance with procedures as may be laid down by Defaulters' Committee and if the assets of the defaulter are insufficient to meet the approved claims, it shall forward the claims alongwith the recommendations of the Defaulters' Committee to the Trust. However, the Trust need not wait for the realisation of the assets of the defaulter before the disbursement towards claims.

(7) A claimant under this Chapter must sign an undertaking to be bound by the decision of the Trust whose decision shall be final and binding.

(8) The Trust in disallowing (whether wholly or partly) a claim for compensation shall serve notice of such disallowance on the claimant.

(9) The Trust, if satisfied that the default on which the claim is founded was actually committed, may allow the claim and act accordingly.

(10) The Trust may at any time and from time to time require the claimant to produce and deliver any securities, documents or statements of evidence necessary to support any claim made or necessary for the purpose of establishing his claims and in default of delivery of any such securities, documents or statements of evidence by such claimant, the Trust may disallow any claim by him under this Chapter.

(11) Contributions shall be made to the IPF from the following sources:-

(a) 1 % of the listing fees received, on a quarterly basis

(b) 100 % of the interest earned on the 1 % security deposit kept by the issuer companies at the time of the offering of securities for subscription to the public, immediately on refund of the deposit

(c) The difference of amount of auctions / closeout price

(d) The amount received from the proceeds of the sale of the securities written off as per para 4 & 5 of SEBI circular No. FITTC/FII/02/2002 dated May 15, 2002

(e) The amounts specified in pursuance of Regulation 28 (12) (e) (ii), Regulation 28 (13) and Regulation 29(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997.

(f) Such contribution by trading members of the Stock Exchange as may be decided by the Stock Exchange from time to time based on the transaction value. The Stock Exchange shall further be empowered to call for such additional contributions as may be required from time to time to make up for the shortfall, if any, in the IPF, at the discretion of the Stock Exchange.

12[(g) Penalties levied by the Exchange on its members.

(12) The IPF to be held in trust as aforesaid shall vest with the Trust which shall administer the same. The IPF shall be well segregated and shall be immune from any liabilities of the Stock Exchange.

(13) The Stock Exchange, in consultation with the Trust, shall review and progressively increase the amount of compensation available against a single claim from an investor every three years. The Stock Exchange shall disseminate the compensation limit fixed and any change thereof, to the public through a Press Release and also through web site of the Stock Exchange.

(14) The Trust may seek the advice of the Defaulters' Committee as to the eligibility or otherwise of individual claims of investors.

(15) The Stock Exchange shall arrange to provide administrative assistance to the Trust to facilitate the processing and settlement of investor claims.

(16) The claims of the claimants arising out of speculative transactions or which are sham or collusive shall not be eligible for compensation from the IPF.

(17) The balance of the IPF lying unutilised with the Trust shall continue to be utilised only for such purposes as prescribed by SEBI. In the event of winding up of the Stock Exchange, the balance lying unutilised with the Trust shall be transferred to SEBI. The funds will be maintained in a separate account and SEBI would act as Trustee of these funds to be utilised for purposes of investor education, awareness and research.

Relationship between trading member and Constituents

(11) Without prejudice to any other law for the time being in force and subject to these Bye Laws, the mutual rights and obligations inter se between the trading member and his/its constituent shall be such as may be prescribed by the relevant authority from time to time.

