



## **Defaulters Section – FAQ**

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1. What is the difference between a complaint and a claim?

A complaint is against a trading member who is an active member i.e a member who continues to trade on the Exchange. A claim is against a trading member who has been declared a defaulter and /or expelled.

2. How will I know about the declaration of default and/or expulsion of a trading member?  
When should I lodge a claim against defaulter and/or expelled members?

The Exchange issues a circular in this regard. Further, the Defaulters Section issues a public notice in the newspapers inviting claims from the investors. A claim should be lodged after issuance of public notice in newspapers. Additionally, the list of default and/or expelled members along with public notice issued is available on our website under [https://www.msei.in/investors/defaulters/defaulters\\_claim](https://www.msei.in/investors/defaulters/defaulters_claim) <https://www.msei.in/investors/defaulters>

3. Till what time period would claims be accepted by the Exchange?

Please refer the public notice under the link mentioned above for the same.

4. How should I lodge a claim?

The claim form can be obtained from the nearest investor service center or can be downloaded from our website <https://www.msei.in/investors/defaulters>

5. What are the mandatory documents required to be submitted?

The mandatory documents required to be submitted with the claim form are:

- PAN card
- KYC details
- Ledger account statement for the previous financial year and current financial year
- Margin ledger account statement (wherever applicable)
- Demat account transaction statements for the previous financial year and current financial year
- Bank account statement evidencing payment made to / from trading member for the previous financial year and current financial year
- Cancelled cheque – to be provided for bank account mentioned in point number 4 of the claim form
- Details / communication from / by other stock exchanges approving / rejecting claim, if any
- Any other documents, investor may choose to provide



6. I do not have the demat account transaction statement. What should I do?

The same can be obtained from the Depositories viz. CDSL/NSDL.

7. I have closed my bank account through which the payments were made/ received to/ from trading member. My bank has been merged with another bank. How should I obtain the bank account statement?

Please contact the bank/branch for obtaining the bank statement of the closed account. If the bank has been merged please obtain the statement from the anchor bank.

8. From where can I obtain the data related to purchase/sale of securities executed through the trading member? How to obtain the same, if the same not provided by the defaulter /expelled member, to construct the manual ledger as required by the Exchange?

Trade data, if required can be obtained on sending a request to any of the following nearest regional investor service center by providing your name, Client code, PAN, period for which such data is required, name of the trading member.

| Branch Office | Email id   |
|---------------|--|
| Ahmedabad     | <a href="mailto:isc.ahmedabad@msei.in">isc.ahmedabad@msei.in</a> |
| Chennai       | <a href="mailto:isc.chennai@msei.in">isc.chennai@msei.in</a>     |
| Delhi         | <a href="mailto:isc.delhi@msei.in">isc.delhi@msei.in</a>         |
| Kolkata       | <a href="mailto:isc.kolkata@msei.in">isc.kolkata@msei.in</a>     |
| Mumbai        | <a href="mailto:isc.mumbai@msei.in">isc.mumbai@msei.in</a>       |
| Hyderabad     | <a href="mailto:isc.hyderabad@msei.in">isc.hyderabad@msei.in</a> |
| Indore        | <a href="mailto:isc.indore@msei.in">isc.indore@msei.in</a>       |
| Kanpur        | <a href="mailto:isc.kanpur@msei.in">isc.kanpur@msei.in</a>       |

9. Can I lodge a claim for trades which have been executed on other Stock Exchanges and not on MSE?

The claimant will have to lodge claim only for those trades which are executed on MSE Platform. If trades have been executed on other Stock Exchanges then he/she will have to get in touch with the respective Stock Exchange.

10. How many reminders does the Exchange give to the claimant to rectify the deficiency documents / details provided?

The Exchange gives three reminders to the concerned claimant to rectify the deficiency documents / details provided. If the deficiencies are not rectified the claim would not be taken up further for processing.



11. What is the process followed by the Exchange post submission of claim form, details and documents? How are the claims processed?

The Exchange scrutinizes the claim form and intimates the deficiency in the documents, if any, to the concerned investor by email only. Processing is taken up once the mandatory documents /details in the claim form are provided/complete. As per SEBI circular and MSE byelaws, once a member has been declared defaulter/expelled, the claim needs to be placed before the Relevant Authority which is a statutory Committee of the Exchange set up to administer the assets in respect of the defaulters /expelled members vesting in the Exchange. Claims shall be processed as per the norms laid down by the Committee from time to time and in accordance with Rules, Bye laws, Regulations, guidelines etc. of the Exchange, SEBI circulars and Regulations. The claims are routed through an audit mechanism to assess the genuineness and veracity of the claim prior to placing it before the Relevant Authority for approval.

12. How can I know the status of my claim?

Investor can send an email to the relevant email id provided in point 8 to get the status of their complaint or give a call on +91 22 6112 9028 to know about the claim status.

13. Am I being paid out of the trading member's deposits/assets?

One of the reason for a trading member to be declared a defaulter is when the total amount of claims outstanding to be paid to the investors exceeds the assets available with the member. In such cases the admissible amount is paid out of Investor Protection Fund Trust.

14. I am holding an IGRP order/arbitration award. However, the same was not paid on account of inadequate deposits/assets of the trading member. What should I do?

Please lodge your claim as enumerated in the earlier points. Please note that the claimant holding IGRP order/arbitration award would be treated at par with other claimants and all such claims would be processed as per the norms laid down by the Committee from time to time and in accordance with Rules, Bye laws, Regulations, guidelines etc. of the Exchange, SEBI circulars and Regulations.

15. How would I be notified about my admissible amount?

An email will be sent to the email id provided by the client in the form provided.

16. How to lodge a claim in respect of the deceased person?



Legal heirs may provide details for lodging the claim on behalf of the deceased claimant for the transactions executed by the deceased claimant up to the date of death. The relevant Committee shall evaluate the claims with respect to its admissibility/inadmissibility after scrutinizing the documents submitted by the legal heirs to determine their legal right.

17. I am a franchisee/ authorized person of the trading member. Am I eligible for compensation from Investor Protection Fund Trust (IPFT).

No, only registered constituents/investors of the trading member are eligible for compensation from Investor Protection Fund Trust (IPFT). However, if in addition to being a franchisee/authorized person, you are registered as a constituent of the trading member then you may lodge a claim in respect of funds/securities which the trading member owes to you as a client.

18. I am an associate/related party of the trading member? Am I eligible for compensation from Investor Protection Fund Trust (IPFT).

No associate/related parties of the trading member are eligible for compensation out of Investor Protection Fund Trust (IPFT).

19. Will the Exchange release/credit/transfer the securities to my demat account in respect of claims lodged against defaulter/expelled members.

Claims by investors for non- receipt of securities will be entertained as a financial claim and will be settled in money terms.