



**CIRCULAR**

CIR/MRD/DP/4/2011

April 07, 2011

To,

The Depositories

Dear Sir / Madam,

**Sub: Limitation period for filing an arbitration reference**

SEBI has earlier issued directions to stock exchanges with regard to the limitation period for filing an arbitration reference. In view of streamlining the provisions in the depositories on the captioned subject, it is decided that the limitation period for filing an arbitration reference shall be governed by the law of limitation, i.e., The Limitation Act, 1963. The modified limitation period shall also be applicable to cover *inter alia* the following cases:

- i. where the limitation period (in terms of Limitation Act 1963) have not yet elapsed and the parties have not filed for arbitration with the depository, or,
- ii. where the arbitration application was filed but was rejected solely on the ground of delay in filing within the earlier limitation period; and the limitation period (in terms of Limitation Act 1963) have not yet elapsed.

2. Accordingly, the Depositories shall:

- i. make necessary amendments to the relevant bye-laws for the implementation of the above decision,
- ii. bring the provisions of this circular to the notice of the Depository Participants and direct them to communicate the same to all the Beneficial Owners (BOs), and,
- iii. disseminate the same on the website.

3. This circular is being issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Section 19 of the Depositories Act, 1996 in the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

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