

(updated as on April 30, 2024, for circulars up to March 31, 2024)

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I. INVESTOR GRIEVANCES REDRESSAL MECHANISM

1) Investor Service Centres (ISC)

The Exchange shall set up Investor Service Centres (ISCs) at such locations as prescribed by SEBI from time to time or as it may deem fit to facilitate resolution of complaints against listed companies or against BSE's Trading Members.

2) Complaint Redressal Mechanism

- 2.1 Any investor having grievance against Trading Member can register complaint with BSE in respect of transactions executed on BSE in the prescribed Complaint form at the nearest Investor Service Centre (ISCs) along with necessary supporting documents or e-Complaint through Exchange website, or E-mail, or in writing to the Exchange.
- 2.2 Upon receipt of the complaint Exchange shall ensure that the investor complaint(s) are resolved within 15 days from the date of receipt of the complaint.
- 2.3 On receipt of the complaint by the Exchange, if any additional information /documents are required, the same shall be sought by the Exchange from the complainant within 7 days from the date of receipt of complaint. The complainant shall provide the information as per the communication received from the Exchange. In such case, the period of 15 days shall be counted from the date of receipt of additional information sought.
- 2.4 On receipt of complaint, Member shall immediately act upon the same and revert with the details of redressal to the Exchange by uploading the response and supporting documents in the online portal of the Exchange within the timelines specified by the Exchange in the communication sent to the member.
- 2.5 The correspondence with the Trading Member & Investor (who is client of a Member) may be done on e-mail. For this purpose, communication may be done on e-mail, if the e-mail id of the investor is available in the UCC database or on the e-mail id from which the client has been corresponding.
- 2.6 The Trading Member and Clearing Member is required to provide a dedicated email id for the correspondence to the Department of Investor Service as directed by the Exchange. The Exchange shall communicate the complaints received from the investor/ client to the Trading Member on the dedicated e-mail id provided by the Member.

- 2.7 On receipt of the complaint, the Trading Member shall immediately act upon the same and revert with the details of redressal to the Exchange through Exchange specified software/ letter/ e-mail.
- 2.8 In case the matter does not get resolved within 15 days from date of registration of complaint by the Exchange or receipt of additional information from the complainant, the Exchange shall initiate a pre-conciliation call between the parties.
- 2.9 The Exchange shall maintain record of all the complaints addressed/redressed within 15 days from the date of receipt of the complaint/additional information. If a complaint is not resolved within the stipulated time frame, then the reason for non-redressal in the given time frame is also recorded and penalty for non-redressal will be levied in accordance with Exchange circulars.
- 2.10 In case no reply is received from the Trading Member, or the reply received from the Trading Member does not satisfy the complainant or the matter is not getting settled amicably, then as directed by SEBI, for ensuring speedy and effective resolution of disputes, the investor may, if so desired, opt for resolution through the Online Dispute Resolution mechanism (“ODR”), which will facilitate for online conciliation and arbitration.
- 2.11 In case the complainant opts for Online Dispute Resolution mechanism or other appropriate civil remedies while the complaint is pending with Exchange, the complaint shall be treated as disposed.

References

Sr.no.	Subject	Circular Reference (SEBI & BSE)
1	Investor Service Centers	<ul style="list-style-type: none"> <u>SEBI circular no. CIR/MIRSD/2/2012 dated February 15, 2012</u> <u>Exchange Notice no. 20120216-15 dated February 16, 2012</u> <u>SEBI circular no. SEBI/HO/MRD/MRD-POD-3/CIR/P/2023/104 dated June 26, 2023</u> <u>Exchange Notice no. 20230626-65 dated June 26, 2023</u>
2	Dedicated Email id for Investor Grievance	<ul style="list-style-type: none"> <u>SEBI Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013</u> <u>Exchange Notice no. 20130930-36 dated September 30, 2013</u> <u>Exchange Notice no. 20131004-19 dated October 04, 2013</u>
3	Online Resolution of Disputes (ODR) in	<ul style="list-style-type: none"> <u>SEBI circular no. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/131 dated July 31, 2023</u> <u>Exchange Notice no. 20230801-8 dated August 01, 2023</u>

Sr.no.	Subject	Circular Reference (SEBI & BSE)
	the Indian Securities Market	<ul style="list-style-type: none"> <li data-bbox="602 281 1414 449">• <u>SEBI circular No. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/135 dated August 4, 2023</u> <u>Exchange Notice no. 20230804-28 dated August 04, 2023</u> <u>Exchange Notice no. 20230804-43 dated August 04, 2023</u> <li data-bbox="602 506 1414 716">• <u>SEBI vide circular No. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023)</u> <u>Exchange Notice no. 20230904-20 dated September 04, 2023</u> <li data-bbox="602 772 1414 898">• <u>SEBI/HO/OIAE/OIAE IAD-3/P/CIR/2023/191 dated December 20, 2023</u> <u>Exchange Notice no. 20231221-5 dated December 21, 2023</u>

II. ONLINE DISPUTE RESOLUTION (ODR) OF DISPUTES IN THE INDIAN SECURITIES MARKET

SEBI vide circular dated July 31, 2023, had expanded the scope of dispute resolution mechanism in the Indian securities market by establishing a common Online Dispute Resolution mechanism which harnesses online Conciliation and online Arbitration for resolution of disputes arising in the Indian Securities Market.

1) Investors and Listed Companies/ Specified Intermediaries/ Regulated entities under the ambit of ODR

1.1 Disputes between Investors (including institutional/corporate) and listed companies (including their registrar and share transfer agents) or any of the specified intermediaries / regulated entities in securities market (as specified in Schedule A of SEBI circular) arising out of latter's activities in the securities market, will be resolved in accordance with this circular.

Listed companies / specified intermediaries / regulated entities OR their clients/investors (or holders on account of nominations or transmission being given effect to) may also refer any unresolved issue of any service requests / service-related complaints for due resolution by harnessing online Conciliation and/or online Arbitration.

1.2 Disputes between institutional or corporate clients and specified intermediaries / regulated entities in securities market as specified in Schedule B of aforesaid circular can be resolved, at the option of the institutional or corporate clients:

1.2.1 in accordance with this circular and by harnessing online Conciliation and/or online Arbitration as specified in this circular, OR

1.2.2 by harnessing any independent institutional mediation, independent institutional Conciliation and / or independent Arbitration institution in India.

1.2.3 The seat and venue of Mediation, Conciliation and/or Arbitration shall be in India and can be conducted online.

1.3 Disputes between Market Infrastructure Institution (MII) and its constituents which are contractual in nature are currently not included in the framework.



- 1.4 The MIs have jointly setup the portal, [SMARTODR](#) (“**ODR Portal**”) or registering disputes to be resolved through the Online Dispute Resolution mechanism in accordance with this circular.
- 1.5 BSE has empanelled an ODR Institution for undertaking time-bound online Conciliation and/or online Arbitration (in accordance with the Arbitration and Conciliation Act, 1996 and any other applicable laws) as prescribed under the SEBI ODR Circular.
- 1.6 All listed companies / specified intermediaries / regulated entities in the securities market (collectively referred to as “**Market Participant/s**”) enrolled on the ODR Portal (Trading Members and Depository Participants by August 16, 2023, and all other Market Participants by September 15, 2023) and those who have not registered shall be deemed to have been enrolled on the ODR Portal at the end such aforesaid specified timeline. Any new Market Participant listed or registered shall ensure that they complete registration with the SMART ODR portal within 7 days of the receipt of registration certificate /date of listing.

2) Process of Handling Disputes in ODR Mechanism

- 2.1 An investor shall first take up grievance with the Market Participant by lodging a complaint directly with the concerned Market Participant. If the grievance is not redressed satisfactorily, the investor may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal. After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, the investor can initiate dispute resolution through the ODR Portal.
- 2.2 Alternatively, the investor could initiate dispute resolution through the ODR Portal if the grievance lodged with the concerned Market Participant was not satisfactorily resolved at that stage or at any stage of the subsequent escalations (prior to or at the end of such escalation/s).

The concerned Market Participant may also initiate dispute resolution through the ODR Portal after having given due notice of at least 15 calendar days to the investor for resolution of the dispute which has not been satisfactorily resolved between them.

- 2.3 The dispute resolution through the ODR Portal can be initiated when the complaint/dispute is not under consideration of SCORES or not pending before any



Arbitral process, Court, Tribunal or Consumer Forum or are Non-arbitrable in terms of Indian law (including when moratorium under the Insolvency and Bankruptcy Code is in operation due to the insolvency process or if liquidation or winding up process has been commenced against the Market Participant) or is against the Government of India / President of India or a State Government / Governor of a State.

- 2.4 It is clarified that Listed companies (and their registrars and transfer agents), specified intermediaries and regulated entities specified in Schedules A and B as well as institutional or corporate clients shall initiate claims or disputes, unless the matter is non-arbitrable in terms of Indian law (including when moratorium under the Insolvency and Bankruptcy Code is in operation due to the insolvency process or if liquidation or winding up process has been commenced) or is against the Government of India / President of India or a State Government / Governor of a State.
- 2.5 The dispute resolution through the ODR Portal can be initiated when it is within the applicable law of limitation (reckoned from the date when the issue arose/occurred that has resulted in the complaint/date of the last transaction or the date of disputed transaction, whichever is later).
- 2.6 The ODR Portal has the necessary features and facilities to, inter alia, enrol the investor and the Market Participant, and to file the complaint/dispute and to upload any documents pertaining thereto. It also has the facility to provide status updates on the complaint / dispute based on the status of the dispute at the ODR Institution.
- 2.7 A complaint/dispute initiated through the ODR Portal which are allocated to BSE will be referred to the ODR Institution empanelled by BSE after carrying out due diligence of the dispute lodged which shall, inter alia, include the following checks:
 - 2.7.1 Complaints/disputes against a specific trading member shall be accepted only for transactions executed out on BSE.
 - 2.7.2 Disputes arising with a specific depository participant, shall be returned by BSE and the complainant shall have to lodge a fresh complaint with the relevant Depository.
 - 2.7.3 If the dispute is filed against an incorrect entity or in an incorrect capacity (e.g. Complaint filed against the entity in capacity of a Stockbroker for a demat related issued), the same shall be returned.



2.7.4 If the dispute filed is incomplete or does not have relevant documentation/information for resolution of the complaint, the same shall be sought from the complainant. Information and/or documentation sought has to be provided within the timelines requested, failing which the dispute is liable to be returned.

2.8 Further, reference to ODR Institution shall be made only after a review of such complaint/dispute by BSE with the aim of amicable resolution which shall be concluded within 21 calendar days.

3) **Conciliation**

3.1 The ODR Institution on receipt of the reference of the complaint/dispute for conciliation, shall appoint a sole Conciliator within 5 days.

3.2 Such Conciliator shall conduct one or more meeting/s for the disputing parties to reach an amicable and consensual resolution within 21 calendar days (*unless extended for a maximum period of 10 calendar days by consent of the disputing parties and to be recorded in writing/electronically*) from the date of appointment of Conciliator by the ODR Institution.

3.3 Apart from attempting to actively facilitate consensual resolution of the complaint/dispute, the Conciliator may consider advising the Market Participant to render required service in case of service-related complaints/disputes and/or consider issuance of findings on admissibility of the complaint/dispute or otherwise in case of trade related complaints/dispute (as the case may be).

3.4 If the process of conciliation is successful, the same shall be concluded by a duly executed settlement agreement between the disputing parties. Such an agreement shall be executed and stamped through an online mode, as permissible in law. When such agreement requires the Market Participant to pay the admissible claim value to the investor or perform certain activities / render required service, the Market participant shall inform BSE about fulfilment of its obligations as agreed upon in the Settlement Agreement.

3.5 In case the matter is not resolved through the conciliation process within the 21 calendar days (or within the extended period of 10 calendar days, extended by consent of the disputing parties):

3.5.1 The Conciliator shall ascertain the admissible claim value of the complaint/dispute that the Conciliator determines is payable to the investor and shall notify the disputing parties as well as the ODR Institution and BSE of the same.

3.5.2 Such a determination shall also be made in all claims/complaints/disputes where the monetary value has not been ascribed by the person initiating the dispute. The nature of determination made by the conciliator is only to provide an admissible claim value of the complaint / dispute for purposes of appropriate slab for computation of fees being applied for online Arbitration.

3.5.3 Subject to the forgoing, the investor, the Market Participant, and the Arbitrator/s would not be bound by such determination for the making or defending or deciding the claim / complaint / dispute.

4) **Arbitration**

4.1 An investor may pursue online Arbitration which will be administered by the same ODR Institution, which facilitated the conduct of Conciliation on or after the conclusion of the Conciliation process when the matter has not been resolved through such process, subject to payment of fees as applicable for online Arbitration.

4.2 The Market Participant against whom the investor pursues the online Arbitration shall participate in the Arbitration process. Accordingly, within 10 days of the initiation of the online Arbitration by the investor, the Market Participant shall make the deposit of 100% of the admissible claim value, if any, with BSE and make the payment of the fees as applicable for online Arbitration to the ODR Institution. Non-adherence of the foregoing by the Market Participant may result in action against the Market Participant by MIs and/or SEBI.

4.2.1 In case the Market Participant wishes to pursue online Arbitration, it shall intimate the ODR Institution within 10 days of the conclusion of the Conciliation process of its intent to do so and within further 5 days of this intimation, shall deposit 100% of the admissible claim value with BSE and make the payment of fees, as applicable, for online Arbitration for initiating the online Arbitration.

- 4.2.2 In case the Market Participant fails to deposit the amount, then they may not initiate online Arbitration and they may also face consequences as determined necessary or appropriate by BSE and could also be liable to be declared as not 'Fit and Proper' in terms of the SEBI (Intermediaries) Regulations, 2008 and would be, inter-alia, liable to have their registration cancelled or their business activities suspended. A listed company that fails to deposit the amount may also face consequences as determined necessary or appropriate by the Stock Exchange.
- 4.2.3 On an application made by the investor in this behalf to BSE, BSE may, from the deposit received, release such amount to the investor, not exceeding ₹ 5,00,000/- (Rupees Five lakhs) or such sum as may be specified from time to time. Before release of the said amount to the investor, BSE shall obtain appropriate undertaking/ indemnity / security in such form, manner, and substance from the investor to ensure return of the amount so released in case the Arbitration proceedings are decided against the investor.
- 4.3 When the investor and/or the Market Participant pursue online Arbitration, the ODR Institution shall appoint a sole Arbitrator / panel of Arbitrators, as applicable, within 5 calendar days of reference and subject to receipt of fees, costs and charges as applicable.
- 4.4 In the event that the aggregate of the claim and/or counter-claim amount exceeds Rs.30,00,000/- (Rupees Thirty Lakhs), the matter shall be referred to an Arbitral Tribunal consisting of three Arbitrators, within 5 calendar days of reference and subject to receipt of fees, costs and charges as applicable.
- 4.5 In the instance where the parties wish to withdraw from Arbitration before the Arbitrator has been appointed then the fees shall be refunded after deducting the applicable expenses not exceeding ₹ 100/- (Rupees One Hundred). However, withdrawal shall not be permitted after the appointment of an Arbitrator.
- 4.6 When the value of claim and/or counterclaim is ₹ 1,00,000/- (Rupees One Lakh) or below, the Sole Arbitrator shall conduct a document-only Arbitration process and pass the Arbitral Award within 30 calendar days from the date of appointment. However, the Arbitrator, for reasons to be recorded in writing/electronically, may grant a hearing to the parties to the dispute.

- 4.7 Subject to value of claim and/or counter-claim being in excess of ₹ 1,00,000/- (Rupees One Lakh), the Sole Arbitrator or Arbitral Tribunal shall conduct one or more hearing/s and pass the Arbitral Award within 30 calendar days of the date of appointment.
- 4.8 The Sole Arbitrator or Arbitral Tribunal shall be at liberty to extend such time for disputes exceeding claims and/or counter-claim of Rs.1,00,000/- (Rupees One Lakh) upto a further period of 30 calendar and for reasons to be recorded in writing/electronically, when the matter requires detailed consideration.
- 4.9 The Sole Arbitrator or Arbitral Tribunal may, having regard to the nature of the claim and/or counter-claim, provide interim relief as may be required for reasons to be recorded after affording hearing to the parties to the dispute.
- 4.10 Upon the issuance/pronouncement of the Arbitral Award, the party against whom Award has been passed, will be required to submit its intention to challenge the Award under Section 34 of the Arbitration Act, within 7 calendar days, in the ODR Portal for onward notification to the party in whose favour the Arbitral Award has been passed and BSE.
- 4.11 The parties may make an application under the relevant section of the Arbitration and Conciliation Act, 1996 for correction/rectification of the Award.
- 4.12 Upon the conclusion of the Arbitration proceedings and issuance of the Arbitral Award, subject to the terms of the Arbitral Award, when such Arbitral Award requires payment of any amount by the Market Participant or performance by it of a certain nature, then such payment shall be made by the Market Participant within a period of 15 calendar days from the date of the Arbitral Award (unless such award requires a different payment schedule), and/or performance within such period as specified by the Arbitral Award.
- 4.13 In the event of the Arbitration proceeding is decided in favour of the investor, subject to the terms of the Arbitral Award, BSE shall release the balance deposit held by it (as deposited by the Market Participant) to the investor.
- 4.14 BSE shall monitor the due payment/adherence to the terms of the Arbitral Award until due receipt by the investor and/or performance of the terms of Arbitral Award. In the event that the parties do not comply with the Arbitral Award, BSE shall inform SEBI



regarding such non-compliance on a periodic basis. Furthermore, BSE shall provide necessary assistance to the investor for enforcement of the Arbitral Award.

- 4.15 If the Arbitration proceeding is decided against the investor, subject to the terms of the Arbitral Award, such investor should return the released amounts. If the investor fails to return the amount released, then the investor (based on PAN of the investor) shall not be allowed to trade on any of the Stock Exchanges or participate in the Indian Securities Market till such time the investor returns the amount to the Market Participant.
- 4.16 Further, the securities lying in the demat account(s) or the mutual fund holdings of the investor shall be frozen till such time as the investor returns the amount to the Market Participant. If security had been obtained, the same could be enforced/realised and adjusted towards the amount required to be returned.
- 4.17 If the Market Participant wishes to challenge such an Arbitral Award, then the Market Participant must deposit 100% of the amounts payable in terms of the Arbitral Award with BSE prior to initiation of the challenge.
- 4.18 In case the specified intermediary/regulated entity fails to deposit the amount, then they may also face consequences as determined necessary or appropriate by the Stock Exchange and could also be liable to be declared as not 'Fit and Proper' in terms of the SEBI (Intermediaries) Regulations, 2008 and would be inter-alia, liable to have their registration cancelled or their business activities suspended. A listed company that fails to deposit the amount may also face consequences as determined necessary or appropriate by the Stock Exchange.
- 4.19 On an application made by the investor in this behalf to BSE, BSE may, from the deposit received, release such amount to the investor not exceeding ₹ 5,00,000/- (Rupees five lakhs). Before release of the said amount to the investor, BSE shall obtain appropriate undertaking/ indemnity / security from the investor to ensure return of the amount so released in case the challenge is decided against the investor.
- 4.20 Further, in the course of such a challenge, if a stay is not granted within 3 months from the date of the receipt of Award, complete adherence to the terms of the Arbitral Award must be done.

- 4.21 If the challenge is decided against the investor, subject to the judgement of the appellate forum, such investor should return the released amounts.
- 4.22 If the investor fails to return the amount released, then the investor (based on PAN of the investor/client) shall not be allowed to trade on any of the Stock Exchanges or participate in the Indian Securities Market till such time the investor returns the amount to the Market Participant.
- 4.23 Further, the securities lying in the demat account(s) or the mutual fund holdings of the investor shall be frozen till such time as the investor returns the amount to the Market Participant.
- 4.24 If security had been obtained, the same could be enforced/realised and adjusted towards the amount required to be returned.
- 4.25 In the event, the challenge is decided in favour of the investor, subject to the terms of the judgement of the appellate forum, BSE shall release the balance deposit held by it (as deposited by the Market Participant) to the investor. BSE shall also monitor the due compliance by the Market Participant with the terms of the Arbitral Award/ judgement of the appellate forum.

5) **Form Of Proceedings**

- 5.1 The ODR Institution shall conduct Conciliation and Arbitration in the online mode, enabling online/audio-video participation by the investor, the Market Participant and the Conciliator or the Arbitrator as the case may be. The investor may also participate in such online Conciliation and Arbitration by accessing/utilizing the facilities of Investor Service Centers (ISCs) operated by any of the MIIs.
- 5.2 The venue and seat of the online proceedings shall be deemed to be the place:
 - 5.2.1. In case of disputes between investor and listed companies (including their registrar and share transfer agents) or any of the specified intermediaries / regulated entities in securities market (as specified in Schedule A):
 - 5.2.1.1. where the investor resides permanently or, where the investor is not an individual, the place where it is registered in India or has its principal place of business in India, as provided in the relevant KYC documents.

- 5.2.2. In case of disputes between institutional or corporate clients and specified intermediaries / regulated entities in securities market as specified in Schedule B of Circular:
- 5.2.2.1. Where the institutional or corporate clients has its registered in India or has its principal place of business in India, as provided in the relevant KYC documents, and
- 5.2.2.2. If in case the institutional or corporate client is not registered in India or does not have its principal place of business in India, then the place where the specified intermediaries / regulated entities in securities market as specified in Schedule B has its registered in India or has its principal place of business in India or
- 5.2.2.3. Such Court of competent jurisdiction in India as the institutional or corporate clients and specified intermediaries / regulated entities in securities market as specified in Schedule B may agree upon.

References

Sr.no.	Subject	Circular Reference (SEBI & BSE)
1	Online Resolution of Disputes (ODR) in the Indian Securities Market	<ul style="list-style-type: none"> • <u>SEBI circular no. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/131 dated July 31, 2023</u> <u>Exchange Notice no. 20230801-8 dated August 01, 2023</u> • <u>SEBI circular No. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/135 dated August 4, 2023</u> <u>Exchange Notice no. 20230804-28 dated August 04, 2023</u> <u>Exchange Notice no. 20230804-43 dated August 04, 2023</u> • <i>SEBI vide circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023)</i> <u>Exchange Notice no. 20230904-20 dated September 04, 2023</u> • <u>SEBI/HO/OIAE/OIAE IAD-3/P/CIR/2023/191 dated December 20, 2023</u> <u>Exchange Notice no. 20231221-5 dated December 21, 2023</u> • <u>SEBI circular No. SEBI/HO/OIAE/OIAE IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023)</u> <u>Exchange Notice no. 20240101-2 dated January 01, 2024</u>

III. REDRESSAL OF INVESTOR GRIEVANCES THROUGH THE SEBI COMPLAINT REDRESSAL (SCORES) PLATFORM AND LINKING IT TO ONLINE DISPUTE RESOLUTION PLATFORM

SEBI has revised the entire redressal process of grievances in the securities market, making the process more efficient by reducing timelines and by introducing auto-routing and auto-escalation of complaint.

In view of the same SEBI has revised the mechanism through SCORES portal and the Exchange has been appointed as the Designated Body for complaints against the entities, viz., Stock Brokers, Listed companies, Registrars to an Issue and Share Transfer Agents and Municipal Debt Securities, for monitoring the process of the redressal of investors' grievances by such Entities.

A. Framework for handling of investor grievances received through SCORES and monitoring of the redressal process by designated bodies.

1. Submission of the Complaint and handling of the Complaint by an Entity:

- 1.1. The Entity shall review the investors' grievances redressal mechanism from time to time.
- 1.2. The Entity who is in receipt of the complaints of the investors ("**Complaint**") through SCORES, shall resolve the complaint within **21 calendar days** of receipt of such Complaint.
- 1.3. The Complaints lodged on SCORES against any Entity shall be automatically forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Entity shall resolve the Complaint and upload the ATR on SCORES within 21 calendar days of receipt of the Complaint. The ATR of the Entity will be automatically routed to the complainant.
- 1.4. The Complaint against the Entity shall be simultaneously forwarded through SCORES to the relevant Designated Body (Exchange). The Designated Body shall ensure that the concerned Entity submits the ATRs within the stipulated time of 21 calendar days.
- 1.5. The Designated Body shall monitor the ATRs submitted by the entities under their domain and inform the concerned entity to improve the quality of redressal of grievances, wherever required.

1.6. SEBI may concurrently monitor grievance redressal process by entities and Designated Bodies.

2. First review of the Complaint:

2.1. In case the complainant is satisfied with the resolution provided by the Entity vide the ATR or complainant does not choose to review the Complaint, the Complaint shall be disposed on SCORES. However, if the complainant is not satisfied, the complainant may request for a review of the resolution provided by the entity within 15 calendar days from the date of the ATR.

2.2. In case the complainant has requested for a review of the resolution provided by the entity or the entity has not submitted the ATR within the stipulated time of 21 calendar days, the concerned Designated Body shall take cognizance of the Complaint for first review of the resolution through SCORES. The Designated Body shall take up the first review with the concerned Entity, wherever required. The concerned Member shall submit the ATR to the Designated Body within the time stipulated by the Designated Body.

2.3. The Designated Body may seek clarification on the ATR submitted by the Entity for the first review. The concerned Entity shall provide clarification to the respective Designated Body, wherever sought and within such timeline, as the Designated Body may stipulate. The Designated Body shall stipulate the timeline in such a manner to ensure that the Designated Body submits the revised ATR to the complainant on SCORES within 10 calendar days of the review sought.

2.4. The Designated Bodies shall be responsible for:

2.4.1. Monitoring and handling grievance redressal of investors against respective members under their domain as stipulated in the circular.

2.4.2. Taking non-enforcement actions including issuing advisories, caution letters for non-redressal of investor grievances and referring to SEBI for enforcement actions.

3. Second Review of the Complaint:

- 3.1. The complainant may seek a second review of the Complaint within 15 calendar days from the date of the submission of the ATR by the Designated Body. In case the complainant is satisfied with the ATR provided by the concerned Designated Body or complainant does not choose to review the Complaint within the period of 15 calendar days, the Complaint shall be disposed on SCORES.
- 3.2. In case the complainant is not satisfied with the ATR provided by the Designated Body or the concerned Designated Body has not submitted the ATR within 10 calendar days, SEBI may take cognizance of the Complaint for second review through SCORES.
- 3.3. SEBI may take up the review with stakeholders involved, including the concerned Entity or/and Designated Body. The concerned Entity or/and Designated Body shall take immediate action on receipt of second review complaint from SEBI and submit revised ATR to SEBI through SCORES, within the timeline specified by SEBI.
- 3.4. SEBI or the Designated Body (as the case may be) may seek clarification on the ATR submitted by the concerned member for SEBI review complaint. The concerned entity shall provide clarification to the respective Designated Body and/or SEBI, wherever sought and within such timeline as specified. The second review Complaint shall be treated as 'resolved' or 'disposed' or 'closed' only when SEBI 'disposes' or 'closes' the Complaint in SCORES. Hence, mere filing of ATR with respect to SEBI review complaint will not mean that the SEBI review complaint is disposed.

References

Sr.no.	Subject	Circular Reference (SEBI & BSE)
1	Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform	<ul style="list-style-type: none"> <u>SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023</u> <u>Exchange Notice no. 20230922-34 dated September 22, 2023</u> <u>SEBI has issued Circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 01, 2023</u> <u>Exchange Notice no. 20231206-5 dated December 06, 2023</u>

IV. ACTION AGAINST NON-REDRESSAL OF INVESTOR GRIEVANCES THROUGH THE SEBI COMPLAINTS REDRESS SYSTEM (SCORES) PLATFORM FILED AGAINST LISTED COMPANY

Pursuant to Regulation 13 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed companies are required to take adequate steps for expeditious redressal of investor complaints.

In case of failure to redress the complaint within the SEBI defined timeline, the Exchange shall levy penalty on the listed companies. The fine amount shall continue to accrue till the date of redressal of grievance/filing of ATR by the listed company or till the company is compulsorily delisted, whichever is earlier.

Timelines for handling of complaints and actions in case of non-compliances

Sr. No.	Activity	No of calendar days
1	Complaint handling:	
a.	Complaint received in SCORES by the listed company	T
2	Action in case of non-compliances:	
a.	Notice to Listed company intimating the fine @ ₹ 1000/- per day, per complaint to be levied for not resolving the complaints within 60 days	T+61
b.	Notice to Promoters for non-resolution of complaints and non-payment of fine to the stock exchange.	T+76
c.	Freezing of promoter's shareholdings (i.e. entire shareholding of the promoter(s) in listed company as well as all other securities held in the demat account of the promoter(s)) in demat account.	T+86
d.	Stock exchanges may take any other actions, as deemed appropriate.	
e.	Once Stock exchange has exhausted all options and yet the number of pending complaints exceed 20 or the value involved is more than ₹ 10 lakhs, the Exchange to forward the details of such Listed companies to SEBI for further action, if any	

References

Sr.no.	Subject	Circular Reference (SEBI & BSE)
1	Non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Standard Operating Procedure for suspension and revocation of trading of specified securities.	<ul style="list-style-type: none"> • <u>SEBI circulars no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020</u> <u>Exchange notice no. LIST/COMP/55/2019-20 dated January 22, 2020</u>
2	Redressal of investor grievances through the SEBI Complaint Redressal (SCORES) Platform and linking it to Online Dispute Resolution platform	<ul style="list-style-type: none"> • <u>SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023</u> <u>Exchange Notice no. 20230922-34 dated September 22, 2023</u> • <u>SEBI has issued Circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/183 dated December 01, 2023</u> • <u>Exchange Notice no. 20231206-5 dated December 06, 2023</u>

V. REDRESSING COMPLAINTS REGARDING 'UNAUTHORISED TRADES'

Members are directed to put in place the following:

1. In case the Member has made margin calls to the client and the client has failed to comply with these margin calls, then the contract note issued by Member for transactions owing to non-compliance of such margin calls would bear a remark specifying the same.
2. The Member shall maintain a verifiable record of having made such margin calls and that the clients have not complied with the same.
3. The Member shall execute trades of clients only after keeping evidence of the client placing such order, which could be, inter alia, in the form of:
 - a. Physical record written & signed by client,
 - b. Telephone recording,
 - c. Email from authorized email id,
 - d. Log for internet transactions,
 - e. Record of messages through mobile phones,
 - f. Any other legally verifiable record.
4. In case of any dispute arises, the broker shall produce the above-mentioned records for the disputed trades. However, for exceptional cases such as technical failure etc. where broker fails to produce order placing evidence, the broker shall justify with reasons for the same and depending upon merit of the same, other appropriate evidences like post trade confirmation by client, receipt/payment of funds/securities by client in respect of disputed trade, etc. shall also be considered.
5. Wherever the order instructions are received from clients through the telephone, the stockbroker shall mandatorily use a telephone recording system to record the instructions and maintain telephone recordings as part of its records.
6. The Members are required to maintain the records specified at Para 3 above for a minimum period for which the arbitration accepts investors' complaints as notified from time to time currently three years. However, in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.
7. If SEBI desires that specific records be preserved, then such records shall be kept till further intimation by SEBI.

References

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Investor Grievance Redressal Mechanism	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013 • Exchange Notice no. 20130930-36 dated September 30, 2013 • SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018

VI. PENALTY TO BE LEVIED ON THE CASES OF UNAUTHORIZED TRADING

This is in partial modification to Exchange Notice No. 20180214-31 dated February 14, 2018 and 20210324-45 dated March 24, 2021, specifying the penalty norms for unauthorized trades executed by the members in the account of client and as per SEBI circular on Online Dispute Redressal (ODR), the revised penalty norms are as below:

Details of contravention	Penalty
<p>a) Unauthorized trading** observed by Arbitrators while finalizing Arbitration award under old mechanism, even if trading member settles the claim.</p> <p>b) Unauthorized trading** as being observed by Conciliator/ Arbitration under Online Dispute Resolution (ODR) mechanism introduced w.e.f. August 16, 2023, even if trading member settles the claim.</p> <p>** (induced trades or trades executed by the trading member using any unfair means i.e. obtaining user ID and password of the client to execute trades etc., without the consent of the client).</p>	<p>I. Monetary Penalty per case shall be Rs.50,000/- or 3% of the admissible amount whichever is higher as determined in the conciliatory mechanism / Arbitration award.</p> <p>II. In addition to above penalty,</p> <p>a. Member will be debarred from taking new clients for a period of one month, in case 25% of all the complaints (not less than 05) placed before conciliatory mechanism / Arbitration in the immediately preceding calendar quarter are determined by it to be unauthorized trading cases.</p> <p>b. Where the number of unauthorized trading cases as per the numbers indicated at (II)(a) persist for three consecutive quarters, the Member concerned will be debarred from taking new clients and Authorized Persons (APs) if any, for a period of three months.</p> <p>c. The number of unauthorized trading cases as per numbers indicated at (II)(a) persists beyond three consecutive quarters, the matter be placed before the relevant Committee, for action.</p> <p>d. Member will be referred for special purpose inspection in case any of the above instances i.e., (II) (a, b, c) is triggered.</p>

References

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Penalty Structure w.r.t. Unauthorised trading determined by Grievance Redressal Committee (GRC) / Arbitration	<u>Exchange Notice no. 20210324-45 dated March 24, 2021</u> <u>Exchange Notice no. 20180214-31 dated February 14, 2018</u> <u>Exchange Notice no. 20231121-12 dated November 21, 2023</u>

VII. WEBSITE COMPLIANCE BY STOCKBROKER RELATED TO INVESTORS

1. Publishing Investor Charter and Disclosure Of Investor Complaints By Stock Brokers On Their Websites

- a) In order to facilitate investor awareness about various activities which an investor deals, SEBI, in consultation with the market participants, has developed an Investor Charter for Stock Brokers inter-alia, detailing the services provided to Investors, Rights of Investors, various activities of Stock Brokers with timelines, DOs and DON'Ts for Investors and Grievance Redressal Mechanism.
- b) In this regard, all the Stock Brokers shall take necessary steps to bring the Investor Charter, to the notice of their clients (existing as well as new clients) by way off
- disseminating the Investor Charter on their websites/through e-mail;
 - displaying the Investor charter at prominent places in offices etc
 - provide a copy of Investor Charter as a part of account opening kit to the clients, through e-mails/ letters etc.
- c) Additionally, in order to bring about transparency in the Investor Grievance Redressal Mechanism, all the Stock Brokers shall disclose on their respective websites, the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month, as per the formats.

References

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites	<i>SEBI Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021</i> <i>Exchange Notice no. 20211206-68 dated December 06, 2021</i>

2. Escalation Matrix for Investor Grievance Redressal Mechanism And Penalty Structure For Non-Compliance W.R.T Publishing Of Investor Grievance Escalation Matrix On Website

a) To further strengthen the process of handling Investor Grievances, the guidelines for the implementation for Trading Members is given below:

- i. Multiple modes of communication should be made available to the investors, with a view to ensure seamless process in raising the complaints.
- ii. Strengthen the complaint redressal mechanism by hiring qualified / dedicated trained resources, impart adequate trainings for better handling and suitable closures.
- iii. Investor Grievances escalation matrix shall be explicitly displayed on the website and mobile application under the 'Contact Us' page. The 'Contact Us' link should be placed on the index/homepage of the website.
- iv. Escalation matrix should also be a part of the complaint redressal communications between the Trading Members and Investors.
- v. Acknowledgment should be sent to the investor, once the grievance is received / escalated / resolved and should state the Service ticket / Complaint reference number in it.
- vi. Members, who are also a Depository Participant, shall provide separate escalation matrix for Demat related queries. In case they have a common grievance handling unit, they may display the common Escalation matrix as stated under point '3'.
- vii. Enhance Investor education vide educational videos, webinars etc.
- viii. Provide regular updates to investors on changes in rules/regulations through support portals.
- ix. Details of services provided to clients may be displayed on homepage of the website.
- x. Automate procedural requirements by online submission and acceptance of forms & KYC related matters
- xi. Regular system audits to reduce the occurrence of technical issues and downtimes

b) Exchange has formulated a disciplinary action and penalty structure for non-compliance of the aforementioned requirement, is described below:

Details of contravention	Disciplinary Action/Charges
Non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website by the Trading Members	<p>i. Letter of observation shall be issued to the trading member, providing a period of 15 days from the date of issue of letter of observation to comply with the said requirement.</p> <p>ii. In case the trading member fails to confirm the compliance of the same within the afore mentioned period of 15 days, a penalty of Rs.1,000/- per day shall be levied till the member complies with the circular to the satisfaction of the Exchange.</p> <p>iii. If the trading member fails to abide by the above direction for two months, the matter shall be placed before the relevant committee for further directions.</p>

c) The same shall be applicable for trading members having retail clientele and own website.

References

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Escalation Matrix for Investor Grievance Redressal Mechanism and Penalty structure for Non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website	<p><u>Exchange Notice no. 20220614-15 dated June 14, 2022</u></p> <p><u>Exchange Notice no. 20221109-42 dated November 09, 2022</u></p> <p><u>Exchange Notice no. 20221109-42 dated November 21, 2022</u></p>

3. Flashing A Link To SCORES On The Dashboard Of Trading Accounts

Trading Members of the Exchange as per direction received from SEBI, are advised to ensure flashing a link to SCORES on the dashboard of Trading Accounts.

References:

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Flashing a link to SCORES on the dashboard of Trading Accounts	Exchange Notice no. 20180320-30 dated March 20, 2018

4. Information Regarding Grievance Redressal Mechanism To Be Displayed At Offices Of Stock Brokers

As a measures to create awareness among investors about grievance mechanisms available Trading Members for information of all investors who deal/ invest/ transact in the market, it is directed that members at the offices of all Stock Brokers (its registered Sub-Broker(s) and Authorized Person(s)) and Depository Participants shall prominently display basic information, about the grievance redressal mechanism available to investors.

References:

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Information regarding Grievance Redressal Mechanism	SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014 Exchange Notice no. 20140902-12 dated September 02, 2014

5. Integration Of Investor Complaints

As a measures with a view to monitor the complaints received by the Trading Members from their Investors, it has been decided that the details of all such direct complaints shall now be disclosed by the trading member to the Stock Exchanges.

References:

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Integration of investor complaints	<ul style="list-style-type: none"> <u>Exchange Notice no. 20230406-15 dated April 06, 2023</u> <u>Exchange Notice no. 20230503-12 dated May 03, 2023</u>

6. **Centralized mechanism for reporting the demise of an investor through KRAs**

SEBI has issued direction for on Centralized mechanism for reporting the demise of an investor through KRAs. Mechanism to be followed at ISC mentioned in reference circulars.

References:

Sr. no.	Subject	Circular Reference (SEBI & BSE)
1	Centralized mechanism for reporting the demise of an investor through KRAs	<ul style="list-style-type: none"> <u>SEBI circular no. SEBI/HO/OIAE/OIAE IAD-1/P/CIR/2023/0000000163 dated October 03, 2023</u> <u>Exchange Notice no. 20231004-10 dated October 04, 2023</u> <u>Exchange Notice no: 20240103-28 dated January 03, 2024</u>
