

**National Stock Exchange of India Limited****Department: INVESTOR SERVICES CELL**

Download Ref No: NSE/ISC/61835

Date: April 30, 2024

Circular Ref. No: 24/2024

To All Members and Market Participants,

**Subject: Master Circular for Investor Grievance Redressal Mechanism**

Various circulars have been issued from time to time on Dispute Resolution Mechanism i.e. Investor Complaints, SCORES and Online Dispute Resolution. With a view to facilitate Market Participants to comply with the current regulatory requirements and have access to the applicable guidelines at one place relating to the above, the Exchange has consolidated all the applicable circulars on Dispute Resolution Mechanism issued up to March 31, 2024.

Members are advised to take note of the same and comply with these norms, in letter and spirit, on a continuous basis. In case of any detailed clarification required, Members are advised to refer to the respective circulars.

For the convenience of members, circular is categorized as following:

<b>Part A</b>	<b>Investor Grievances</b>
<b>Part B</b>	<b>Arbitration</b>
<b>Part C</b>	<b>Circular References</b>

In case of any inconsistency between the Master Circular and the applicable circulars, the content of the relevant circular shall prevail.

*Notwithstanding such rescission*

- a. Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*
- b. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the*

*rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded.*

**For and on behalf of**

**National Stock Exchange of India Limited**

**Shanti Idnani**

**Associate Vice President**

<b>Toll Free No</b>	<b>Email id</b>
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## **PART A - INVESTOR GRIEVANCES**

### **1. Introduction**

With a view to streamline and make the investor grievance redressal mechanism at Stock Exchanges more effective, SEBI has issued various circulars including the Master Circular for Online Resolution of Disputes in the Indian Securities Market (SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195) dated July 31, 2023 and Circular on Redressal of investor grievances through the SEBI Complaint Redressal System (SCORES) Platform and linking it to Online Dispute Resolution platform (SEBI/HO/OIAE/IGRD/CIR/P/2023/156) dated September 20, 2023, as amended from time to time.

All claims, differences or disputes between the Trading Members, Constituents, Authorised Persons and Issuers arising out of or in relation to transactions made subject to the Bye-Laws, Rules and Regulations of the Exchange and circulars issued by SEBI.

### **2. General provisions regarding investor grievance redressal<sup>1</sup>**

- 2.1. Investors shall first take up their grievances for redressal with the entity concerned (viz. Member, listed company or (MIIs))<sup>2</sup>, through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances.
- 2.2. Investors who wish to lodge a Complaint on SCORES (complainant) are required to register themselves on <https://scores.sebi.gov.in/> by clicking on “Sign in/Sign up” under the “Investor Corner”. While filing the registration form, details like Name of the investor, Permanent Account Number (PAN), contact details, email id, are required to be provided for effective communication and speedy redressal of the grievances. Upon successful registration, a unique user id and a password shall be generated and communicated through an acknowledgement email to the complainant.
- 2.3. In order to enhance ease, speed and accuracy in the redressal of grievance, the investor may lodge the Complaint against any Entity on SCORES within a period of one year from the date of occurrence of the cause of action, where:

<sup>1</sup> These provisions have been effective from April 1, 2024

<sup>2</sup> presently excluding Clearing Corporations and its constituents

- 2.3.1. The complainant has approached the Entity for redressal of the complaint and the Entity has rejected the complaint or the complainant has not received any communication from the concerned Entity; or
- 2.3.2. The complainant is not satisfied with the reply received or the redressal by the concerned Entity.
- 2.4. If any complaint filed on SCORES 2.0 beyond the limitation period specified above, SEBI may reject such complaint.
- 2.5. The following types of complaints shall not be dealt through SCORES:
  - 2.5.1. Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).
  - 2.5.2. Complaints relating to cases pending in a court or subject matter of quasi- judicial proceedings, disputes pending with Online Dispute Resolution mechanism under the aegis of Market Infrastructure Institutions the as per ODR Master Circular.
  - 2.5.3. Complaints falling under the purview of other regulatory bodies such as Reserve Bank of India, (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority of India (PFRDAI), Competition Commission of India (CCI), or complaints falling under the purview of other ministries.
  - 2.5.4. Complaints against a company under resolution under the relevant provisions of the Insolvency and Bankruptcy Code, 2016 (IBC).
  - 2.5.5. Complaints against the companies where the name of company is struck off from Register of Companies (RoC) or a vanishing company as published by MCA.
  - 2.5.6. Liquidated Companies or companies under liquidation.
  - 2.5.7. Complaints which are in the nature of market intelligence i.e., information given to SEBI regarding violation of any of the provisions of the securities laws. Such complaints can be lodged on <https://mi.sebi.gov.in/>
- 2.6. The complainant in the event of being dissatisfied shall give reasons for not being satisfied with the Action Taken Report (“**ATR**”) and provide clear reasons for review at any stage.
- 2.7. In cases where investors raise issues, which require adjudication on any third-party rights, on questions of law or fact or which is in the nature of a *lis* between parties, or if investors are not satisfied with disposal on SCORES post SEBI review, they shall seek appropriate remedies

through the Online Dispute Resolution mechanism in securities market. In addition, investors have the option to approach legal forums including civil courts, consumer courts etc.

- 2.8. Investors can approach the Online Dispute Resolution mechanism or other appropriate civil remedies at any point of time. In case the complainant opts for Online Dispute Resolution mechanism or other appropriate civil remedies while the complaint is pending on SCORES, the complaint shall be treated as disposed on SCORES.

**3. Framework for handling of investor grievances received through SCORES 2.0 by Entities.**

**3.1. Submission of the Complaint and handling of the Complaint by the Entity:**

- 3.1.1. All Entities who are in receipt of the complaints of the investors (“**Complainant**”) through SCORES, shall resolve the complaint within 21 calendar days of receipt of such Complaint.
- 3.1.2. The Complaints lodged on SCORES against any Entity shall be automatically forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Member 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.
- 3.1.3. The Complaint against the Entity shall be simultaneously forwarded through SCORES to the relevant Designated Body (in this case, the Exchange). The Designated Body shall ensure that the concerned Entity submits the ATRs within the stipulated time of 21 calendar days.
- 3.1.4. The Exchange 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.

**3.2. First review of the Complaint:**

- 3.2.1. In case the complainant is satisfied with the resolution provided by the entity *vide* the ATR or the complainant does not choose to review the Complaint, the Complaint shall be disposed on SCORES 2.0. 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.
- 3.2.2. 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 Entity shall submit the ATR to the Designated Body within the time stipulated by the Designated Body.

- 3.2.3. 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.

### **3.3. Second Review of the Complaint**

- 3.3.1. 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 2.0.
- 3.3.2. 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 2.0.
- 3.3.3. 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 2.0, within the timeline specified by SEBI.
- 3.3.4. SEBI or the Designated Body (as the case may be) may seek clarification on the ATR submitted by the concerned entity 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.

### **3.4. SCORES authentication for registered intermediaries and market infrastructure institutions:**

- 3.4.1. Members and DPs shall also obtain SCORES authentication. The procedure for obtaining SCORES authentication shall be as may be specified.



#### **4. Process of Dispute Resolution Mechanism through SMARTODR PORTAL**

The dispute resolution process under the ODR Mechanism shall have three levels of resolution i.e., Pre-Conciliation, Conciliation and Arbitration.

The said mechanism shall be applicable to all the investors/clients/Market Participants who register and lodge their complaint/dispute through SMARTODR Portal.

##### **4.1. Pre-Conciliation**

- 4.1.1 After following the process provided in paragraph [2] of Part A above, if the Investor is not satisfied with Member/Market Participant's response, then they may lodge a complaint through SCORES/SMART ODR.
- 4.1.2 Upon registration of a complaint/dispute by the investor/client on SMARTODR Portal, the complaint/dispute will be assigned to an MII through the SMARTODR Portal. The Exchange (if it is assigned MII) will aim for amicable resolution of complaint/dispute between the investor/client and the Member/Market Participant within 21 calendar days from the date of filing of complaint/ dispute ("Pre-Conciliation Period").
- 4.1.3 During the Pre-Conciliation Period, the Exchange may request for written submissions by the disputing parties and also hold meetings/tele-conferences to resolve the issue.
- 4.1.4 In case the investor/client is not satisfied with the resolution/complaint not resolved during Pre-Conciliation Period, then the matter will be referred to conciliation.
- 4.1.5 Market Participant may also initiate online dispute resolution through the SMARTODR Portal after having given due notice of at least 15 calendar days to the investor/client for resolution of the dispute which has not been satisfactorily resolved between them.

##### **4.2. Conciliation**

- 4.2.1 The Exchange empanelled ODR Institution shall appoint a neutral conciliator from its panel of conciliators with necessary qualifications and expertise within 5 days of receipt of reference of the complaint/dispute by the ODR Institution.
- 4.2.2 Such conciliator shall conduct one or more meeting/s for the disputing parties to reach an amicable and consensual resolution within 21 calendar days from the date of appointment (unless extended for a maximum period of 10 calendar days by consent of the disputing parties).
- 4.2.3 In case of successful conciliation, a settlement deed will be entered into between the disputing parties, and the matter shall stand resolved. Both the investor/complainant

and the Market Participant shall comply with the terms and conditions of the settlement deed.

- 4.2.4 In case of unsuccessful conciliation, the conciliator will ascertain the admissible claim value of the complaint/dispute that the conciliator determines is payable to the investor/client and notify the disputing parties as well as the ODR Institution and the Exchange of the same.

## **5. Registration of Market Participants on SMART ODR PLATFORM**

*The Market Infrastructure Institutions (including the Exchange), under guidance of SEBI, have established and developed a common Online Dispute Resolution Portal ('SMART ODR Portal') for resolving disputes between the parties. The link for the Online Dispute Resolution Portal is <https://smartodr.in/>.*

*All Market Participants (including Members) are advised to follow the below mentioned steps for registration and account verification.*

- a) Market Participants shall receive an email from SMART ODR PORTAL (noreply@mailers.smartodr.in) for account creation. The email contains necessary procedure for account creation and will be sent to the registered compliance officer's email id as available in the Exchange records.*
- b) Market Participants are required to click on "Verify Email" link mentioned in the email. They will be then redirected to the SMART ODR Portal for acceptance of the terms and conditions. Subsequently, it will prompt to set a password. The password should be of minimum 8 characters which should include at least 1 uppercase, 1 lowercase, 1 number and 1 special character.*
- c) After accepting the Terms and Condition and 2 Factor Authentication, Market Participants are required to complete the login procedure on the SMART ODR Portal. The Terms and Conditions shall also be sent on the aforesaid email ID's.*
- d) There is a facility to add additional users using the "User Management" section under the Profile icon on the left-hand side of the portal.*

***In case of any issues during registration process, please email at [help@smartodr.in](mailto:help@smartodr.in) or contact on the helpline number +91- 8105148710. Please note that the user manual is available at <https://help.smartodr.in>***

**6. Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites**

SEBI has issued Circular No. SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021, regarding publishing Investor Charter and disclosure of Investor Complaints by Stockbrokers on their websites. Investor Charter is attached as **Annexure 1**.

Trading Members are advised to bring the Investor Charter to the notice of their clients (existing as well as new clients) by uploading the Investor Charter on their respective websites, making them available at prominent places in the office, providing a copy of the Investor Charter as a part of account opening kit to the clients, through e-mails / letters etc.

Trading Members are advised to have a separate page on the website for the Investor Charter wherein the relevant details provided in the Investor Charter viz Vision, Mission, Services Provided by the member, Grievance Redressal Mechanism of the member and Exchange, etc are displayed along with the logo of the Trading Member. The link to access the Investor charter should be available on the home page of the website.

Additionally, Trading Members shall disclose the data on complaints received against them or against issues dealt by them and redressal thereof, latest by 7th of succeeding month on their website, in the format as given in the SEBI circular (SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021). Format is available in **Annexure 1** as above.

**7. Escalation Matrix for Investor Grievance Redressal Mechanism**

An effective grievance procedure ensures an amiable work environment, as it redresses the grievance to mutual satisfaction and helps the management to frame policies and procedures, in line with the regulations.

To further strengthen the process of handling Investors Grievances, Trading Members are advised to take the below measures:

- a. Multiple modes of communication should be made available to the investors, with a view to ensure seamless process in raising the complaints.
- b. Strengthen the complaint redressal mechanism by hiring qualified / dedicated trained resource, impart adequate trainings for better handling and suitable closures.
- c. Investor Grievances escalation matrix to 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. Upon clicking the same, it should display the detail as shared in the Annexure of the said circular.

- d. Escalation matrix should also be a part of the complaint redressal communications between the Trading Members and Investors
- e. 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.
- f. 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 'C'.
- g. Enhance Investor education vide educational videos, webinars etc.
- h. Provide regular updates to investors on changes in rules/regulations through support portals.
- i. Details of services provided to clients may be displayed on homepage of the website.
- j. Automate procedural requirements by online submission and acceptance of forms & KYC related matters.
- k. Regular system audits to reduce the occurrence of technical issues and downtimes.

**General guidelines to ensure uniform display of escalation matrix:**

- The escalation matrix should be prominently displayed on the “Contact us” page
- “Contact us” link should be placed on the index/homepage of the website.
- The email addresses and contact numbers of ‘Compliance officer’ and ‘CEO’ must be distinct, with a view to differentiate regular emails and escalations.
- Under the ‘Contact number’ column, the working hours should be mentioned for each escalation level e.g., Mon-Sat; 9:00 AM to 6:00 PM
- In case the contact number is a toll free / centralised number handled through IVR, there should be different IVR options made available to reach ‘Customer care / Head of customer care’ and for escalations to ‘Compliance officer’ and ‘CEO’ (e.g. Press 1 for ‘Customer care’, Press 2 for ‘Compliance / CEO Desk’ etc.).
- In case the contact number is a general / centralised number manned by any

- Individual/Receptionist, there should be different extension numbers assigned to reach to the 'Customer care / Head of customer care' and 'Compliance officer / CEO' desks. Member must ensure that the desk is manned by during the working hours published on the website.

**Format for Escalation Matrix:**

Details of	Contact Person	Address	Contact No.	Email Id
Customer care				
Head of Customer care				
Compliance Officer				
CEO				

In absence of a response/complaint not addressed to your satisfaction, you may lodge a complaint with:

- SEBI at <https://scores.gov.in/scores/Welcome.html>
- SMARTODR Dispute Website : <https://smartodr.in/>

Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchange portal

**8. Penalty structure for Non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website (As per NSE circular no. NSE/ISC/54332 dated November 9, 2022)**

Exchange has also formulated a penalty structure for non-compliance of the aforementioned requirement, and it shall be applicable for trading members who have their own website and they deal with retail clients.

Details of contravention	Disciplinary Action/Charges
Non-compliance of circular No. NSE/ISC/52517 w.r.t publishing of Investor Grievance Escalation Matrix on website by the Trading Members	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. In case the trading member fails to confirm the compliance of the same within the aforementioned period of 15 days, a penalty of Rs.1,000/- per day shall be levied till the member complies with the

Details of contravention	Disciplinary Action/Charges
	circular to the satisfaction of the Exchange. 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.

**9. Information regarding Grievance Redressal Mechanism to be displayed at offices of Stockbrokers**

Stockbrokers (its registered Authorized Person(s)) shall prominently display basic information at their offices about the grievance redressal mechanism available to investors as per below format.

<p>Dear Investor,</p> <p>In case of any grievance / complaint against the Stockbroker / Depository Participant:</p> <p>Please contact Compliance Officer of the Stockbroker/ Depository Participant (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXX.</p>			
<p>You may also approach CEO/ Partner/Proprietor (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXX.</p>			
<p>If not satisfied with the response of the Stockbroker/ Depository Participant, you may contact the concerned Stock Exchange / Depository at the following:</p>			
<b>MII</b>	<b>Web Address</b>	<b>Contact No.</b>	<b>Email-id</b>
BSE	<a href="http://www.bseindia.com">www.bseindia.com</a>	XXXXXXXXXX	<a href="mailto:xxx@bseindia.com">xxx@bseindia.com</a>
NSE	<a href="http://www.nseindia.com">www.nseindia.com</a>	XXXXXXXXXX	<a href="mailto:xxx@nse.co.in">xxx@nse.co.in</a>
MSEI	<a href="http://www.msei.in">www.msei.in</a>	XXXXXXXXXX	<a href="mailto:xxx@msei.in">xxx@msei.in</a>

  

<b>MII</b>	<b>Web Address</b>	<b>Contact No.</b>	<b>Email-id</b>
CDSL	<a href="http://www.cdslindia.com">www.cdslindia.com</a>	XXXXXXXXXX	<a href="mailto:xxx@cdslindia.com">xxx@cdslindia.com</a>
NSDL	<a href="http://www.nsdl.co.in">www.nsdl.co.in</a>	XXXXXXXXXX	<a href="mailto:xxx@nsdl.co.in">xxx@nsdl.co.in</a>

You can also lodge your grievances with SEBI at <http://scores.gov.in>. For any queries, feedback or assistance, please contact SEBI Office on Toll Free Helpline at 1800 22 7575 / 1800 266 7575.

(As per SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014 and NSE circular NSE/ISC/27486 dated September 01, 2014)

**10. Requirements for Members to address complaints regarding ‘unauthorised trades’**

- To further strengthen regulatory provisions against un-authorized trades and also to harmonise the requirements across markets, it has now been decided that all brokers 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.
- When dispute arises, the burden of proof will be on the broker to produce the above records for the disputed trades.
- When a 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 evidence like post trade confirmation by client, receipt/payment of funds/ securities by client in respect of disputed trade, etc. shall also be considered. TM to maintain “internal/system auditor certificate along with affidavit regarding facts, circumstances, extent and genuineness of technical failure claimed”.
- Further, wherever the order instructions are received from clients through the telephone, the stock broker shall mandatorily use telephone recording system to record the instructions and maintain telephone recordings as part of its records.
- The Brokers are required to maintain the records specified above for a minimum period as applicable from time to time. However, in cases where dispute has been raised, such records shall be kept till final resolution of the dispute.
- If SEBI desires that specific records be preserved, then such records shall be kept till further intimation by SEBI.

(Trading members are requested to refer SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018)

- 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.
- The Member shall maintain a verifiable record of having made such margin calls and that the clients have not complied with the same.

**11. Penalty to be levied on the cases of unauthorized trading (As per NSE Circular no. NSE/ISC/57761 dated July 31, 2023 and NSE/ISC/60035 dated December 29, 2023)**

The below revised penalty structure shall be applicable for the cases in respect of trades executed from August 1, 2023 and determined as unauthorised trades by the GRC order / Conciliation order / Arbitration Award / Appellate Award.



Details of contravention	Penalty
<p>a) Unauthorized trading** observed by Arbitrators while finalizing Arbitration / Appellate awards under old mechanism, even if trading member settled the claim.</p> <p>b) Unauthorized trading** as observed by Conciliator/ Arbitration under Online Dispute Resolution (ODR) mechanism introduced w.e.f. August 16, 2023, even if trading member settled the claim.</p> <p>** (induced trades or trades executed by the trading member / AP using any unfair means (ex. obtaining user ID and password of the client to execute trades etc., without the consent of the client).</p>	<p>Determined by Investor Grievance Redressal Committee (IGRC) / Conciliator / Arbitration.</p> <p>I. Monetary Penalty per case shall be Rs.50,000/- or 3% of the admissible amount determined in the IGRC, Conciliation, Arbitration order / award, Appellate order / award whichever is higher.</p> <p>II. In addition to the 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 IGRC / Conciliation / 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 b) persists beyond three consecutive quarters, the matter be placed before the relevant Committee, for action.</p> <p>d) Member will be referred to inspection in case any of the above instance (i.e., II a, b, c) is triggered.</p>

**12. Dedicated Email id for Investor Grievance - Members are requested to provide a dedicated email id for correspondence to the Investor Services Cell of the Exchange.**

(Refer SEBI circular no. NSE circular no. NSE/ISC/24570)

**13. Enhanced Supervision of Stock-Brokers – “Trading Member details”**

This has reference to the Exchange Circular No. NSE/ISC/2017/35268 dated July 03, 2017 on Enhanced Supervision of Stock brokers.

As mentioned under the Annexure I of the above referred circular, Trading Members are required to provide their contact details through ‘ISC TM Supervision’ made available on Member Portal.

Based on the feedback received from the Trading Members, the aforesaid module has now been made available under ‘NICEPlus’ application. Path for accessing the module is given below:

- Member Portal → Services → NSE Investor Centre → NICEPlus TM Supervision → TM Contact Details

All Members are advised to update their respective contact details, to ensure better reach for Investors.

#### **14. Introduction of dedicated web-based Help desk portal for Investors:**

In our continuous endeavour to deliver superior customer experience, Investor Services Cell is pleased to announce the introduction of dedicated web-based Helpdesk portal for Investors.

Path for accessing the help desk portal - <https://nseindia.service-now.com/helpdesk>

The web-based Helpdesk portal is a robust self-service system aimed to deliver support for addressing queries pertaining to the functions handled by Investor Service Cell.

Important features of the Helpdesk portal are as follows:

- Knowledge Portal – A wide range of articles and FAQs shall assist users in enhancing their product/process knowledge and thereby help in addressing their queries.
- Raise a Request – Through the ‘Raise a Request’ quick link, a logged-in user has the option to directly create a ticket for query resolution rather than sending an email or calling the Regulatory helpdesk toll free numbers. Users can also provide updates/additional information to the service executive handling the said ticket. Further, the progress of the ticket can also be monitored until closure. User can also refer to historical tickets.

Furthermore, the new Chatbot available on the portal shall also serve as an additional avenue to support in query resolution

(Refer NSE circular no. NSE/ISC/49850 dated October 5, 2021)

#### **15. Flashing a link to SCORES on the dashboard of Demat Accounts and displaying of information regarding SEBI Complaint Redress System (SCORES) on the website**

SEBI vide letter dated March 7, 2018 informed that a study was conducted under the aegis of Quality Council of India (QCI) to understand some of the root causes of grievances/complaints on securities market related issues lodged on Centralised Public Grievance Redressal and Monitoring System (CPGRAMS) portal and the measures suggested to address the issues included providing a link to SCORES portal within the Demat/trading Account Dashboard of the clients/investors to make it easier for investors to lodge grievances. Accordingly, as per the directions of SEBI, members are required to provide a link to SCORES portal on the Demat/Trading Account Dashboard of clients/investors.

(Refer NSE circular dated NSE/ISC/2018/37397/35268 dated April 02, 2018) This has reference to SEBI letter dated July 3, 2019 related to SEBI Complaint Redress System (SCORES). To make the complaint redressal mechanism through SCORES more efficient, SEBI has directed all the members to display the following information on their websites:

***Filing of complaints on SCORES – Easy & quick***

- o Register on SCORES portal
- o Mandatory details for filing complaints on SCORES:
  - 1. Name
  - 2. PAN
  - 3. Address,
  - 4. Mobile Number,
  - 5. Email ID

***Benefits:***

- i. Effective communication
- ii. Speedy redressal of the grievances

Further, all the members are directed to include procedure for filing of complaints on SCORES and benefits for the same in the welcome kit to be given to the investors at the time of registration with them.

All the members may refer the SCORES and FAQs website link: <https://scores.sebi.gov.in/> available for the same.

**16. Types of complaints against listed companies taken up by Exchange**

- Non updation of address /Signature or Corrections etc
- Non-receipt of Bonus
- Non receipt of Dividend
- Non receipt duplicate debt securities certificate
- Non-receipt of duplicate share certificate

- Non receipt of fractional entitlement
- Non receipt of interest for delay in dividend
- Non receipt of interest for delay in payment of interest on debt security
- Non receipt of interest for delay in redemption proceeds of debt security
- Non receipt of interest for delay in refunds
- Non receipt of interest on securities
- Non receipt of redemption amount of debt securities
- Non receipt of refund in Public/ Rights issue
- Non receipt of Rights Issue form
- Non receipt of securities after conversion/ endorsement/ consolidation/ splitting
- Non receipt of securities after transfer
- Non receipt of securities in public/ rights issue
- Non receipt of shares after conversion/ endorsement/ consolidation/ splitting
- Non receipt of shares after transfer
- Non receipt of shares after transmission
- Non receipt of shares in public/ rights issue (including allotment letter)
- Non-receipt of interest for delay in dispatch/credit of securities
- Receipt of refund/ dividend in physical mode instead of electronic mode
- Receipt of shares in physical mode instead of electronic mode
- Demat / Remat
- Complaints of any other nature as may be informed from time to time

### 17. Types of complaints against listed companies not taken up at the exchange

The stock exchanges shall not handle the following type of complaints and forward the complaints as directed below:

Sr. No.	Grievances Pertaining to	Process for handling complaints
1	a. Deposits u/s 73 & 74 of Companies Act, 2013 b. Complaint against Nidhi Companies. c. All matters as delegated under overriding powers under Companies Act 2013 d. Complaints pertaining to dividend and securities transferred to IEPF	Forward the complaint to MCA under intimation to Complainant.
2	Pension funds	Forward the complaint to Pension Fund Regulatory and Development Authority (PFRDA) under intimation to Complainant.
3	Monopoly and anti-competitive practices	Forward the complaint to Competition Commission of India (CCI) under intimation to Complainant.
4	Chit Funds	Request complainant to approach Registrars of Chit Funds of the concerned state
5	Insurance Companies/Brokers/ Agents/products and Service	Forward the complaint to Insurance Regulatory and Development Authority of India (IRDAI) under intimation to Complainant
6	Housing Finance Companies	Request complainant to approach National Housing Bank (NHB) and RBI
7	Companies where moratorium order is passed against the company in winding up/ insolvency proceedings.  Companies under liquidation and official liquidator has been appointed	Request complainant to approach NCLT or the official liquidator

- In addition to above, following types of complaints shall not be dealt through SCORES:
- Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).
- Complaints relating to cases pending in a court or subject matter of quasi-judicial proceedings, etc.

- Complaints against the companies where the name of company is struck off from Register of Companies (RoC) or a vanishing company as published by MCA.
- Liquidated Companies or companies under liquidation.

## **18. Resolution of Complaints against Listed Companies through NEAPS**

To provide easy access of complaints registered against the 'Listed Companies' vide the common platform, the Exchange has introduced a new functionality on the NSE Electronic Application Processing System (NEAPS) platform, wherein the listed companies can now view all complaints registered against them. Circular issued on February 17, 2013 Ref. no. NSE/CML/2013/17 and NSE/CML/2013/12.

SCORES authentication for companies intending to list their securities on recognized stock exchanges

- 18.1. All companies intending to get their securities listed on the recognized stock exchanges shall obtain SCORES authentication through the online mechanism available at the SCORES website [www.scores.gov.in](http://www.scores.gov.in).
- 18.2. The companies shall be required to apply for the authentication through the online form available on the abovementioned SCORES website in accordance with the instruction document provided on the website.
- 18.3. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, as under:
  - 18.3.1. Companies intending to list on Main Board: A declaration that the Draft Red Herring Prospectus has been submitted to SEBI.
  - 18.3.2. Companies intending to list on SME/Debt Platform of stock exchange: A declaration that an application to list its securities has been submitted with the stock exchange/in-principal approval to list its securities has been obtained from the stock exchange.
  - 18.3.3. The SCORES credentials shall be sent to the e-mail ID of the Compliance Officer or the Dealing Officer as provided in the online form.
  - 18.3.4. Complaints against listed companies can be processed by companies in-house or through its Registrar to Issue and Share Transfer Agent (RTI/STA). In case the complaints are processed by the RTI/STA on behalf of the listed company, any failure on the part of the RTI/STA to redress the complaint or failure to update the ATR in SCORES, will be treated as failure of the listed company to furnish information to SEBI and non-redressal of investor complaints by the listed company.

18.3.5. The Entities can update their primary e-mail address in SCORES where all notifications related to SCORES complaints are sent.

**19. Action for failure to redress investor complaints by listed companies:**

- 19.1. The procedure and actions mentioned below shall only be applicable for categories of complaints placed at paragraph 15 above.
- 19.2. The Designated Stock Exchange (DSE) shall levy a fine of ₹ 1000 per day per complaint on the listed company for violation of Regulation 13 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR Regulations) read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
- 19.3. Fines shall also be levied on companies, which are suspended from trading on the stock exchanges.
- 19.4. DSE shall issue a notice intimating the listed company about the levy of fines while also directing it to submit ATRs on the pending complaints and payment of the fines within 15 days from the date of such notice.
- 19.5. In case the listed company fails to redress the grievances and/or pay fine levied within 15 days from the date of such notice, the concerned DSE shall issue notices to the promoter(s) of such listed company, to ensure submission of ATRs on the pending complaints and payment of fines by the listed company within 10 days from the date of such notice.
- 19.6. In case the listed entity fails to comply with the aforesaid requirement and/ or pay fine levied within the stipulated period as per the notices, the DSE shall forthwith intimate the depositories to freeze the entire shareholding of the promoter(s) in such listed company as well as all other securities held in the demat account of the promoter(s).
- 19.7. The depository(ies) shall immediately freeze such demat accounts and also intimate the promoter(s) about the details of non-compliances resulting in freezing of their demat accounts.
- 19.8. In case the listed entity fails to pay the fine or resolve the complaint despite receipt of the notice as stated above, the DSE may initiate other action as deemed appropriate.
- 19.9. While issuing the aforementioned notices, the DSE shall also send intimation to other recognized stock exchange(s) where the shares of such company are listed.
- 19.10. The fine shall be computed and levied on a monthly basis during the non- compliance period.
- 19.11. Amount of fine shall continue to accrue till the date of filing of ATR to the effect of redressal of grievance by the company or till the company is compulsorily delisted, whichever is earlier.

- 19.12. Upon exhaustion of all options as mentioned hereinabove, and if the number of pending complaints exceed 20 or the value involved in such complaints is more than ₹ 10 lakhs, the Exchange shall forward all the complaints against such listed companies to SEBI for further action, if any.

## **20. Integration of Investor Complaints**

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.

In view of the above, the trading members are required to submit the details of the direct complaints received by them (through any channel) on monthly basis, through 'NICEPlus' application available on Member Portal.

Path for submission of the complaints is provided below:

Member Portal -> Services -> NSE Investor Centre -> NICEPlus -> Complaints by TM -> Upload complaint details

Details of complaints shall be submitted on monthly basis within seven days of the subsequent month. Further, in circumstances wherein there is no opening balance of complaints at the beginning of the month and no complaints are received during the month, the trading members are requested to select 'Nil submission'.

## **21. Investor Protection Fund, Investor Services Fund and Investor Services Cell**

SEBI has issued Circular no. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2023/81 dated May 30, 2023 on Comprehensive guidelines for Investor Protection Fund and Investor Services Fund at Stock Exchanges and Depositories.

SEBI has also issued Circular no. SEBI/HO/MRD/MRD-POD- 3/CIR/P/2023/104 dated June 26, 2023 on Investor Service Centres of Stock Exchanges.

All Market Participants are requested to take note of the contents of the circular.

## **22. Introduction of Investor Risk Reduction Access (IRRA)**

This has reference to SEBI Circular ref. no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2022/177 dated December 30, 2022, which cites circumstances where a Trading Member faces challenges conducting regular business due to reasons like technical glitches or outages.

These issues might render the Trading Member's Primary (PR) site inaccessible to its investors. To ensure seamless business continuity, Trading Members (TMs) are advised to maintain an



updated Disaster Recovery (DR) site. However, if both the Primary and DR sites are affected and regular business cannot be conducted, affected Trading Members' investors can exit or square off their outstanding positions using a common platform under the guidelines of Investor Risk Reduction Access (IRRA), jointly provided by all Exchanges.

TMs who are not required to maintain DR site as per the eligibility criteria prescribed by SEBI, can request to avail the IRRA platform whenever their PR site is not available to conduct regular business due to the aforementioned conditions.

IRRA platform is available to the TMs supporting Internet Based Trading (IBT) and Security Trading through Wireless Technology (STWT) for their investors. IRRA will not be available for Algo trading and Institutional clients.

Under this arrangement:

- Once the affected TM requests or qualifies for invocation of IRRA, post completion of invocation process, IRRA platform will send SMS and email notifications to all the UCCs of the affected Trading Member, informing the investors about the availability of the IRRA platform for exiting or squaring off their open positions.
- Exchanges will display a link to download IRRA mobile application and to access the web-based trading platform on their respective websites. Similarly, TMs are also requested to mandatorily display the IRRA platform links on their respective websites.
- The SMS communication will also include a link to download the IRRA mobile application and URL to access web-based trading platform, allowing investors to log in to the IRRA platform.
- Investors can login using their UCC or PAN along with the OTP sent to their registered mobile number and email id.
- Once logged in, investors can monitor, cancel pending orders and square off open positions using the 'Order book' and 'Net position screen', respectively. The IRRA platform will fetch the respective trading day's orders, trades, from respective Exchanges, and previous end-of-day net open positions across Exchanges from Clearing Corporations.
- The IRRA platform facilitates squaring off open positions and cancelling pending orders. Fresh positions or new orders cannot be placed through IRRA platform. However, the positions built in securities / contracts which are permitted to settle only on gross basis shall not be available for square off.

- Trading Members remain responsible for all their clients' activities on the IRRA platform, including clearing & settlement and margin obligations.
- Similarly, the Clearing Member (CM) of the affected TM shall continue to be responsible for all the activities of their clients on the IRRA platform with respect to all obligations including clearing & settlement and margin requirements.

The IRRA platform also provides Trading Members access to an Admin Terminal, allowing them to monitor their investors' actions. The Admin Terminal enables Trading Members to place square-off orders or cancel pending orders on behalf of its investors or for proprietary account.

**23. Centralised Mechanism for reporting the demise of an investor through KRAs**

With a view to have standard procedures for operationalizing the above referred circular across all securities market stakeholders, a Standard Operating Procedure (SOP) has been prepared in consultation with Stock Exchanges, Depositories, KRA and Industry Associations.

Circular Ref No: NSE/ISC/60115 dated January 04, 2024 refers to SOP as attached at **Annexure 2**. Based on the above SOP, the KRAs shall on a daily basis provide the list of such PANs to the Exchange daily. The Exchange shall de-activate the UCCs of such PANs.

Members are advised to comply with the process outlined in the SOP for reporting the demise of an investor and publish the same on their websites.

**PART B – CONSOLIDATED CIRCULAR - ARBITRATION MECHANISM UNDER THE  
ONLINE DISPUTE RESOLUTION MECHANISM**

SEBI vide circular No. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023), has issued a Master Circular on Online Dispute Resolution in the Indian Securities Market (hereinafter referred to as “**ODR Master Circular**”).

**24. Process of Dispute Resolution Mechanism through SMARTODR PORTAL**

*Arbitration*

- 24.1 The Complaint/Dispute lodged through SMARTODR Portal shall mandatorily follow the process of Online Conciliation first and in case of unsuccessful conciliation, the same may be taken up for online Arbitration.
- 24.2 An investor/client or Market Participant may pursue online arbitration, subject to payment of fees as applicable for online arbitration. A neutral arbitrator or a panel of arbitrators (as the case may be) with necessary expertise and experience will be appointed by the ODR Institution within 5 calendar days of reference.
- 24.3 The Arbitrator or the Arbitral Tribunal shall conduct one or more hearing/s and pass the arbitral award within 30 calendar days (extension of 30 calendar days is permitted with consent of the disputing parties) of the appointment in the matter.
- 24.4 The Sole Arbitrator or Arbitral Tribunal may, having regard to the nature of the claim and/or counterclaim, provide interim relief, as may be required, for reasons to be recorded after affording hearing to the parties to the dispute.
- 24.5 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 Member/Market Participant or performance by it of a certain nature, then such payment shall be made by the Member/Market Participant within a period of 15 calendar days from the date of the arbitral award (unless such award requires payment sooner), and/or performance within such period as specified by the arbitral award.
- 24.6 In the event, the parties do not comply with the arbitral award, the Exchange shall inform SEBI regarding such non-compliance on a periodic basis.

*Appeal against Arbitral Award*

- 24.7 In case the investor/client/Market Participant is aggrieved with the Arbitral Award, they may file an appeal before a competent Court of law under section 34 of the Arbitration and Conciliation Act, 1996 (“Arbitration Act”).

24.8 Upon the issuance/pronouncement of the Arbitral Award, the party against whom the order 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 SMARTODR Portal for onward notification to the party/ies in whose favour the arbitral award has been passed and the Exchange.

24.9 If the Member/Market Participant wishes to challenge such an Arbitral Award, or if the investor/client/market participant files arbitration against the conciliation order including for non-adherence of conciliation order then the Member/Market Participant must deposit 100% of the amounts payable in terms of the Arbitral Award with the Exchange prior to initiation of the challenge.

24.10 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.

## **25. Interim Relief by the Exchange**

5.1 On an application made by the investor / client in this behalf to the Exchange, the Exchange may, from the deposit received from the Member / Market Participant in case the investor/client or the Market Participant challenges the unsuccessful conciliation order / arbitral award, release such amount to the investor/client not exceeding Rs.5,00,000/- (Rupees five lakhs) or such sum as may be specified from time to time. On or before release of the said amount to the investor/client, the Exchange shall obtain appropriate undertaking/ indemnity / security from the investor/client to ensure return of the amount so released, in case the challenge is decided against the investor/client.

5.2 If the challenge is decided against the investor/client, subject to the judgement of the appellate forum, such investor/client should return the released amounts. If the investor/client fails to return the amount released, then the investor/client (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/client returns the amount to the Market Participant.

5.3 Further, the securities lying in the demat account(s) or the mutual fund holdings of the investor/client shall be frozen till such time as the investor/client 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.

## **26. Panel of Conciliators and Arbitrators**

26.1. **Maintenance of a Panel of Conciliators and Arbitrators**

Pursuant to the ODR Master Circular and consultation with SEBI, the Exchange has empanelled five ODR institutions for conducting online conciliation and arbitration in a speedy and effective manner.

#### **26.2. Public Dissemination of Profile of Arbitrators**

In order to enhance transparency, the profile of arbitrators has been made available on the following path of the Exchange website : [Arbitration Panel - NSE India, National Stock Exchange of India](#)

- Brief Profile of the Arbitrator
- Qualification
- Past Experience
- Number of matters handled.

Referring Clause 30(c) of the Master Circular, the requirement for public dissemination of the profiles of the Conciliators and Arbitrators is to be complied with by the ODR Institutions only. Further, currently neither the ODR Institutions are providing any option to the parties for providing their preference of Arbitrators nor the Master Circular provides for any such requirements.

#### **26.3. Submission of documents in soft copies**

All the investor services centres are equipped with necessary hardware viz. computer, scanner, printer and required software to facilitate the clients to type/convert their documents into electronic format/soft copy. Such electronic format / soft copies shall be provided to the arbitrators in order to assist the arbitrators in pronouncing comprehensive and speedy awards.

### **27. Place of Conciliation & Arbitration**

The ODR Institutions shall conduct conciliation and arbitration in online mode, enabling online/audio-video participation by the investor/client, the Member/Market Participant and the conciliator or the arbitrator as the case may be. The investor/client may also participate in such online conciliation and arbitration by accessing/utilizing the facilities of Investor Service Centres operated by any of the MIIs.

[The application under section 34 of the Arbitration Act, if any, against the decision of the arbitral award shall be filed in the competent Court nearest to the address provided by Investor in the KYC form.]

### **28. Process of Arbitration**

*Application*

28.1. If the cumulative value of the claim, difference or dispute is more than Rupees Thirty Lakhs, then such matter shall be referred to a panel of three arbitrators and if the value of the claim, difference or dispute is less than or equal to Rupees Thirty Lakhs, then the same shall be referred to a sole arbitrator. In case of any claim difference or dispute which is less than Rupees Thirty Lakhs, if there is a counter claim which cumulatively with the claim, is in excess of Rupees Thirty Lakhs, then the arbitration panel shall be expanded to three arbitrators from a sole arbitrator.

#### *Requirement for Hearings*

28.2. No hearing shall be required to be given to the parties to the dispute if the cumulative value of the claim and counter-claim below Rs. 1,00,000/- or less. In such a case the arbitrator/s shall proceed to decide the matter on the basis of documents submitted by both the parties provided however the arbitrator for reasons to be recorded in writing may hear both the parties to the dispute.

## **29. Cost of Arbitration and Conciliation**

29.1. The costs of the dispute resolution mechanism on the SMARTODR Portal will be borne in the following manner:

- a) There shall be no fees for registration of a complaint/dispute on the ODR Portal.
- b) Fees for conciliation process (*irrespective of claim or counter-claim value*) will be as under:

	<b>Amount in Rupees</b>
Conciliator's fee (to be collected by ODR Institution and paid to Conciliator)	
- for successful conciliation	₹ 4,800/-
- for unsuccessful conciliation	₹ 3,240/-
ODR Institution's fees, in addition to the conciliator's fees (to be collected by ODR Institution)	₹ 600/-
Applicable GST, Stamp Duty, etc. on actual outgoings shall be borne by the concerned Market Participant	

- c) Such fees may be borne by the Exchange and will be recoverable by them from the concerned Member/Market Participant against whom the complaint/dispute is raised.

- d) Such fees shall be borne directly by the concerned Market Participant if it is initiating the dispute process. The Market Participant shall not shift the incidence of such fees to the investor/client at any time.
- e) *Unsuccessful Conciliation:* In the event the disputing parties are not able to arrive at a settlement within the stipulated time (or such extended period as agreed to by them) it shall be said to be unsuccessful conciliation.
- f) *Late Fees:* Initiation of conciliation process after six months from the date of transaction/dispute arising will require payment of INR1,000/- by the initiator of the complaint/dispute (whether such initiator be the investor/client or the Market Participant) and shall be collected by the Exchange and applied as specified by the from SEBI time to time.
- g) The fees for the arbitration process will be as under:

	Rs. 0 –1 lakh *	Above Rs. 1lakh - 10 lakh	Above Rs. 10 lakh - 20 lakh	Above Rs. 20 lakh - 30 lakh	Above Rs. 30 lakh - 50 lakh	Above Rs. 50 lakh – 1 crore
Arbitrator's fee (to be collected by ODR Institution and paid to Arbitrator)	₹4,800/-	₹8,000/-	₹12,000/-	₹16,000/-	₹60,000/- **	₹1,20,000/- **
ODR Institution's fees, in addition to the arbitrator's fees (to be collected by ODR Institution)	₹600/-	₹1,000/-	₹1,500/-	₹2,000/-	₹7,500/-	₹15,000/-
Applicable GST, Stamp Duty, etc. on actual						

	Rs. 0 –1 lakh *	Above Rs. 1lakh - 10 lakh	Above Rs. 10 lakh - 20 lakh	Above Rs. 20 lakh - 30 lakh	Above Rs. 30 lakh - 50 lakh	Above Rs. 50 lakh – 1 crore
outgoings						

\*applicable for service request related disputes also

\*\* Fee for panel of arbitrators shall be split into a ratio of 40:30:30 with the higher proportion being payable to the arbitrator writing the arbitral award

- h)** Further, for claims of Rs. 1 crore and above, an ad valorem fees @ 1% of the claim value or Rs.1,20,000/-, whichever is more, towards Arbitrator's Fees\*\* (to be collected by the ODR institution and paid to the arbitrator) and fees @ Rs 35,000/- towards ODR Institution's Fees, in addition to the arbitrator's fees (to be collected by the ODR institution), together with Applicable GST, Stamp Duty, etc. on actual outgoings, shall be applicable.
- i)** Such fees will be payable at the time of initiation of the arbitration by the initiator (whether the investor/client or the concerned Market Participant), and by the person against whom the arbitration has been initiated. When the person initiating the arbitration has not specified a claim amount or has specified a lower claim amount, the admissible claim value as determined by the conciliator shall be reckoned for arriving at the claim value in such arbitration being initiated. The investor may choose to initiate arbitration for a higher claim value subject to payment of applicable fees and charges.
- j)** Such fees have to be deposited at the time of choosing to initiate arbitration through the ODR Portal within 7 days or such period as specified from time to time. In case the person against whom the arbitration has been initiated fails to deposit the fee payable within such period as specified then the person choosing to initiate the arbitration can deposit the fees payable on such person's behalf and shall be recoverable from such person through the arbitration process.
- k)** Subject to the terms of the arbitral award, the person who is successful in the arbitration proceedings shall receive a refund of amounts deposited by such person.
- l)** *Late Fees:* Arbitration initiated after one month of failure of conciliation and upto six months, the fees payable would be double of the non - refundable fees specified in the table above. Arbitration initiated after six months by a Market Participant will require



payment of additional fee of 50% of the fees, specified in the table above applicable per additional month of delay and which shall be on non-refundable basis. Such late fees shall be collected by the MIIs and applied in relation to operationalization and effective functioning of the ODR Platform and for the purposes as specified by the Board from time to time. The concerned ODR Institution may collect this fee on behalf of the MII as per mutually agreed terms between them.

### **30. Trading Members leading to default.**

- 30.1. SEBI vide its circular dated July 01, 2020, has specified SOP for the steps taken by the Exchange pertaining to trading members who are likely to default in repayment of funds or securities to its clients.
- 30.2. As per the said circular, once the trading member is disabled or Show Cause Notice is issued for declaration of defaulter to trading member (whichever is earlier), no further Grievance Redressal Panel (GRP)/ Arbitration meetings shall be conducted.

### **31. Disclosures:**

- 31.1. Members are required to report particulars as per format given in Annexure E of all Arbitration Awards which have been challenged before court of law. Exchange displays the status of Implementation of Arbitration Award/s on the website. The Exchange discloses on their website all the arbitration awards.

### **32. Defaulting clients**

An investor/client may be identified as defaulter if the client does not pay the award amount to the Member/Market Participant as directed in the Arbitral Award or file an application to court to set aside such order in accordance with Section 34 of the Arbitration Act (in case of aggrieved by arbitration).

Further, as per direction from SEBI, the Exchanges has created a common database of defaulting clients accessible to Members across Exchanges/Depositories based on the information provided by the trading members of Exchanges regarding the defaulting clients as defined above, and the same has been made available on the Exchange website under the path: [https://www.nseindia.com/invest/content/Defaulting\\_Clients.htm](https://www.nseindia.com/invest/content/Defaulting_Clients.htm)

### **33. Arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) is as follows:**

*Applicability*

- 33.1. Disputes between Investors/Clients (including institutional/corporate clients) and listed companies (including their registrar and share transfer agents)) arising out of latter's activities in the securities market, will be resolved in accordance with online dispute resolution and by harnessing online conciliation and/or online arbitration as specified in this Master Circular.
- 33.2. 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 as specified in this circular.
- 33.3. Disputes between the RTAs and their institutional clients may with the latter's consent, resolve their disputes through independent institutional mediation, independent institutional conciliation and / or independent arbitration institution in India.

**34. NSE's Online Investor Complaint Filing interface: NICE Plus:**

- 34.1. Online Investor complaint filing interface viz NSE Investor Centre 'NICE PLUS' was introduced w.e.f. December 15, 2018.
- 34.2. Investors are required to register as New User and login to NICE Plus for filing arbitration/appellate matters if the complaint was filed with the Exchange before 16 Aug 2023
- 34.3. Trading Members can access NICE Plus through Member Portal.
- NICE Plus electronic web-based interface has the following built-in features:
  - Electronic mode of correspondence between Investor, Trading member and the Exchange
  - Navigation made easy and simple.
  - Easy to understand terminologies.
  - Interlinks all the available dispute resolution mechanisms i.e. Reconciliation process – IGRP process – Arbitration – Appellate Arbitration
  - Dashboard to indicate the present status of complaint filed i.e. Pre-processing stage (complaint lodgement stage), Complaint Acceptance stage (registration of the complaint by Exchange), Interaction stage (communication exchanged between parties), Processing stage (General Meeting / IGRP / Arbitration hearings), Payment.

Kindly refer User Manual for detailed guidance on the operations of NICE Plus application.

Path to access NICE Plus application and user manuals are given below:

Applicable to	Link for user manuals	Path to access NICE PLUS application
Investor	<a href="http://www.nse-investorhelpline.com/NICEPLUS">http://www.nse-investorhelpline.com/NICEPLUS</a> click on Help option	<a href="http://www.nse-investorhelpline.com/NICEPLUS">http://www.nse-investorhelpline.com/NICEPLUS</a>
Trading Member	Help option available on all pages	<a href="https://www.connect2nse.com/MemberPortal/">https://www.connect2nse.com/MemberPortal/</a> click on NSE Investor centre option

For further assistance/clarification, you may contact on 1800 266 0058 (Press-5) or email to [ignse@nse.co.in](mailto:ignse@nse.co.in).

**PART C: Circular References for ISC**

Sr No.	Subject	Circular References (Both SEBI & NSE)
1.	Investor Grievance Redressal Mechanism	<ul style="list-style-type: none"> <li>• NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024</li> <li>• NSE circular No. 50/2023 (Download Reference No.:- NSE/ISC/59887) dated December 22, 2023</li> <li>• NSE Circular No. 37/2023 {Download Ref. No. NSE/ISC/58504} dated September 21, 2023</li> <li>• NSE Circular No. 24/2023 {Download Ref. No. NSE/ISC/57791} dated August 01, 2023</li> <li>• NSE Circular No. 15/2022 {Download Ref. No. -: NSE/ISC/52728} dated June 24, 2022</li> <li>• NSE Circular No. 08/2020 {Download Ref. No. -: NSE/ISC/46858} dated December 31, 2020</li> <li>• NSE Circular No. 6/2013 {Download Ref. No. -: NSE/ISC/24762} dated October 17, 2013</li> <li>• NSE Circular No. NSEIL/ARBN/2010/003 {Download Ref. No. -: NSEIL/ARBN/2010/003} dated August 31, 2010</li> </ul>
3.	Publishing Investor Charter and disclosure of Investor Complaints by Stockbrokers on their websites	<ul style="list-style-type: none"> <li>• SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021</li> <li>• NSE Circular No. 30/2021{Download Ref. No. -: NSE/ISC/50597} dated Dec 14, 2021</li> </ul>
4.	Escalation Matrix for Investor Grievance Redressal Mechanism and Penalty structure for non-compliance w.r.t publishing of Investor Grievance Escalation Matrix on website	<ul style="list-style-type: none"> <li>• NSE Circular No. 26/2022 {Download Ref. No. -: NSE/ISC/54332} dated Nov 9, 2022</li> <li>• NSE Circular No. 11/2022{Download Ref. No. -: NSE/ISC/52517} dated Jun 3, 2022</li> </ul>
5.	Information regarding Grievance Redressal Mechanism to be displayed at offices of Stockbrokers	<ul style="list-style-type: none"> <li>• SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014</li> <li>• NSE Circular No. 4/2014 {Download Ref. No. -: NSE/ISC/27486} dated September 01, 2014</li> </ul>

Sr No.	Subject	Circular References (Both SEBI & NSE)
6.	Requirements for Members to address complaints regarding 'unauthorised trades	<ul style="list-style-type: none"> <li>NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013</li> <li>SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018</li> </ul>
7.	Penalty to be levied on the cases of unauthorized trading	<ul style="list-style-type: none"> <li>NSE Circular No. 316/2018 {Download Reference no -: NSE/INSP/36784} dated January 19, 2018</li> <li>NSE Circular No. 04/2021 {Download Reference no -: NSE/ISC/47659} dated March 17, 2021</li> <li>NSE circular No. 22/2023 (Download Reference No.:- NSE/ISC/57761) dated July 31, 2023</li> <li>NSE circular No. 55/2023 (Download Reference No.:- NSE/ISC/60020) dated December 29, 2023</li> </ul>
8.	Dedicated Email id for Investor Grievance	<ul style="list-style-type: none"> <li>NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013</li> </ul>
9.	Enhanced Supervision of Stockbrokers – “Trading Member details”	<ul style="list-style-type: none"> <li>NSE Circular No. 28/2022 {Download Reference no -: NSE/ISC/54490} dated November 18, 2022</li> <li>NSE circular No.02/2021 (Download Reference No.:- NSE/ISC/47479) dated February 26, 2021</li> <li>NSE Circular No. 07/2020 (Download Reference No.:- NSE/ISC/46823) dated December 29, 2020</li> <li>NSE Circular No. 03/2017 {Download Reference no -: NSE/ISC/2017/35268} dated July 03, 2017</li> </ul>
10.	Introduction of dedicated web-based Help desk portal for Investors	<ul style="list-style-type: none"> <li>NSE Circular No. 26/2021 {Download Reference no -: NSE/ISC/49850} dated October 5, 2021</li> </ul>
11.	Flashing a link to SCORES on the dashboard of Demat Accounts and displaying of information regarding SEBI Complaint Redress System (SCORES) on the website	<ul style="list-style-type: none"> <li>NSE Circular No. 3/2018 Download Reference no -: NSE/ISC/2018/37397} dated April 02, 2018</li> <li>NSE Circular No. NSE/ISC/2019/4 Download Reference no -: NSE/ISC/41519} dated July 4, 2019</li> </ul>

Sr No.	Subject	Circular References (Both SEBI & NSE)
12.	Redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform. (Company Complaints) which includes types of complaints against listed companies taken up by Exchange and shall not be taken up by the Exchange and action to be initiated in case of non-compliance.	<ul style="list-style-type: none"> <li>SEBI Circular No. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022</li> <li>NSE Circular No. 27/2022 (Download Reference No.: 27/2022) dated November 11, 2022</li> </ul>
13.	Communication with companies with a new functionality on the NSE Electronic Application Processing System (NEAPS) platform.	<ul style="list-style-type: none"> <li>(NSE Circular No. NSE/CML/2013/17 and NSE/CML/2013/12 dated February 17, 2013)</li> </ul>
14.	Disclosure of complaints received by trading member directly	<ul style="list-style-type: none"> <li>NSE circular No. 08/2023 (Download No. NSE/ISC/56274) dated April 05, 2023</li> </ul>

**Circular Reference for Arbitration**

No.	Subject	Circular References (Both SEBI & NSE)
1.	Arbitrators - Maintenance of a Panel of Arbitrators, Public Dissemination of Profile of Arbitrators, Submission of documents in soft copies, Professional fee of arbitrators	<ul style="list-style-type: none"> <li>• (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>• (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</li> </ul>
2.	Introduction of Automatic Process and Common Pool of Arbitrators	<ul style="list-style-type: none"> <li>• (NSE Circular No. 1/2013 {Download Reference no -: NSE/ISC/22988} dated March 19, 2013)</li> </ul>
3.	Introduction of new version of NSE Investor Service Centre (NICE Plus) online complaint filing interface	<ul style="list-style-type: none"> <li>• (NSE Circular No. 10/2018 {Download Reference no -: NSE/ISC/39651} dated December 14, 2018)</li> </ul>
4.	Limitation	<ul style="list-style-type: none"> <li>• (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>• (NSE Circular No. 12/2022 {Download Reference no - NSE/ISC/52535} dated June 06, 2012)</li> <li>• (NSE Circular No. 12/2022 (Download Reference No. NSE/ISC/52535) dated June 06, 2022)</li> <li>• (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)</li> </ul>
5.	Place of Arbitration/Appellate/ Appeal u/s 34 in the Court of Law	<ul style="list-style-type: none"> <li>• (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>• (NSE Circular No. 27/2021 {Download Reference no - NSE/ISC/50277} dated November 11, 2021)</li> <li>• NSE Circular No. 24/2021 (Download Reference No.:- NSE/ISC/49522) dated September 06, 2021</li> <li>• (NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)</li> </ul>

No.	Subject	Circular References (Both SEBI & NSE)
6.	Process of Arbitration	<ul style="list-style-type: none"> <li>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>(NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</li> <li>NSE Circular No. 50/2023 (Download Reference No.:- NSE/ISC/59887) dated December 22, 2023</li> <li></li> </ul>
7.	Process of Appellate Arbitration	<ul style="list-style-type: none"> <li>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>(NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</li> </ul>
8.	Interim Relief payment	<ul style="list-style-type: none"> <li>(NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</li> <li>(NSE Circular No. 4/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013)</li> <li>(NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021)</li> <li>(NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)</li> </ul>
9.	Cost of Arbitration/Appellate	<ul style="list-style-type: none"> <li>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>(NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</li> <li>(NSE Circular No. 5/2013 {Download Reference no -: NSE/ISC/24567} dated September 27, 2013)</li> <li>(NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021)</li> <li>NSE Circular No. 18/2022 (Download Reference No. NSE/ISC/52885) dated July 05, 2022</li> </ul>



No.	Subject	Circular References (Both SEBI & NSE)
		<ul style="list-style-type: none"> <li>(NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)</li> </ul>
10.	Implementation of Arbitral/Appellate Arbitral Award in favour of Investors	<ul style="list-style-type: none"> <li>SEBI Circular SEBI/HO/CDMRD/DoC/P/CIR/2021/651 dated October 22, 2021 (defaulter member claims)</li> <li>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</li> <li>(NSE Circular No. 28/2021 {Download Reference no -: NSE/ISC/50278} dated November 11, 2021) (defaulter member claims)</li> </ul>
11.	Dispute resolution under the Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/ Investor(s)	<ul style="list-style-type: none"> <li>(NSE Circular No. 08/2017 {Download Reference no -: NSE/ISC/2017/36203} dated October 31, 2017 – Defaulting Client)</li> <li>(NSE Circular No. 3/2024 {Download Ref. No. NSE/ISC/60117} dated January 04, 2024)</li> </ul>

As mentioned in the SEBI circular SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated July 31, 2023 (as updated – Aug 04, 2023 & Dec 20, 2023) the below listed circulars/directions (and /or sections of the same dealing with mediation, conciliation and arbitration) issued by SEBI have been superseded:

- a. Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 4, 2022
- b. Circular No. SEBI/HO/MRDSD/DOS3/P/CIR/2022/78 dated June 3, 2022
- c. Circular No: SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/76 dated May 30, 2022
- d. Circular No.: SEBI/HO/CFD/SSEP/CIR/P/2022/48 dated April 8, 2022
- e. Circular No SEBI/HO/CDMRD/DoC/P/CIR/2021/649 dated October 22, 2021
- f. Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 2, 2021
- g. Circular No. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020
- h. Circular No. SEBI/HO/MRD/DDAP/CIR/P/2020/16 dated January 28, 2020
- i. Circular No. CIR/CDMRD/DCE/CIR/P/2018/48 dated March 14, 2018
- j. Circular No. CIR/CDMRD/DEICE/CIR/P/2017/77 dated July 11, 2017
- k. Circular No: CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017
- l. Circular No: SEBI/HO/MRD/DRMNP/CIR/P/2017/24 dated March 16, 2017
- m. Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 Page 16 of 24
- n. Circular No. CIR/CDMRD/DIECE/02/2015 dated November 16, 2015
- o. Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013
- p. Circular No. CIR/MRD/ICC/20/2013 dated July 05, 2013
- q. Circular No. CIR/MRD/ICC/8/2013 dated March 18, 2013
- r. Circular No. CIR/MRD/ICC/ 29 /2012 dated November 7, 2012
- s. Circular No. CIR/MIRSD/2/2012 dated February 15, 2012

- t. Circular No. CIR/MRD/DSA/03/2012 dated January 20, 2012
- u. Circular No. CIR/MRD/DP/4/2011 dated April 7, 2011
- v. Circular No. CIR/MRD/DSA/2/2011 dated February 09, 2011
- w. Circular No. Cir. /IMD/DF/13/2010 dated Oct 05, 2010
- x. Circular No. CIR/MRD/DSA/29/2010 dated August 31, 2010
- y. Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010
- z. Circular No. CIR/MRD/DP/19/2010 dated June 10, 2010
- aa. Circular No. SEBI/MRD/ OIAE/ Dep/ Cir- 4/2010 dated January 29, 2010