

Annexure I

1. Investor Grievance Resolution Panel (IGRP)/ Arbitration Mechanism

A. Public Dissemination of Profile of Arbitrators

In order to enhance transparency and also provide choice to parties, the profile of arbitrators has been made available on the following path of the Exchange website in the below format
Path: www.nseindia.com>Domestic Investor>Arbitration>About Arbitration>Panel of Arbitrators

Format:

Name of the Arbitrator	Region	Qualification	Past Experience, including Arbitration, if any	Number of matters handled

B. Submission of documents in soft copies

All the investor services centers 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 along with original submissions in physical copies, in order to assist the arbitrators in pronouncing comprehensive and speedy awards.

C. Revision in professional fee of arbitrators

The arbitrator fees have been upwardly revised to Rs.18000/- per case per arbitrator. Consequent to this upward revision the additional expenses attributable to a client over and above the fee structure specified in point E, shall be borne by the client (wherever applicable) and Stock Exchange equally. The total expense attributable to the trading member has to be borne by the concerned trading member.

This shall be applicable with effect from February 24, 2017 for all the cases received by the Exchange for Arbitration / Appellate Arbitration.

D. Place of arbitration/ appellate arbitration

In cases where award / order amount is more than Rs.50 lakhs (Rupees Fifty Lakhs), the next level of proceedings (arbitration or appellate arbitration) may take place at the nearest metro city, if desired by any of the party involved. The additional cost (stamp duty, service tax, etc.) if any, to be borne by the party making the choice.

E. Speeding up grievance redressal mechanism

- i. In order to have faster implementation of award and to discourage delayed filing of arbitrations by members, the fee structure (exclusive of statutory dues - stamp duty, service tax, etc.) for filing arbitration reference shall be as follows:-

Amount of Claim / Counter Claim, whichever is higher (Rs.)	If claim is filed within six months from the date of dispute	If claim is filed after six months from the date of dispute or after one month from the date of IGRP order, whichever is later	If the claim is filed beyond the timeline prescribed in column 3, (only for member)
≤10,00,000	1.3% subject to a minimum of Rs.10,000	3.9% subject to a minimum of Rs.30,000	Additional fee of Rs.3,000/- per month over and above fee prescribed in column 3
>10,00,000 – 25,00,000 ≤	Rs.13,000 plus 0.3% amount above Rs.10 lakh	Rs.39,000 plus 0.9% amount above Rs.10 lakh	Additional fee of Rs.6,000/- per month over and above fee prescribed in column 3
>25,00,000	Rs.17,500 plus 0.2% amount above Rs.25 lakh subject to maximum of Rs.30,000	Rs.52,500 plus 0.6% amount above Rs.25 lakh subject to maximum of Rs.90,000	Additional fee of Rs.12,000/- per month over and above fee prescribed in column 3

- ii. The filing fee will be utilized to meet the fee payable to the arbitrators. In case the arbitrators fees are greater than the filing fees, the additional expense in case of client will be borne by the Exchange and client equally and in case of member shall be borne by the concerned member.
- iii. A client, who has claim / counter claim up to Rs.10 lakh (Rs. Ten Lakh) and files arbitration reference, will be exempted to the extent of filing deposit, however shall contribute to the additional expenses attributable towards arbitrator fees.
- iv. Excess of filing fee over fee payable to the arbitrator, if any, shall be deposited in the IPF of the Exchange.
- v. In all cases, on issue of the arbitral award the Exchange shall refund the deposit to the party in whose favour the award has been passed.
- vi. In partial modification to SEBI circular No. CIR/MRD/ICC/29/2013 dated September 26, 2013, the fees applicable for appellate arbitration is revised to Rs.54,000/- (exclusive of statutory dues – stamp duty, service tax etc.) and would be payable by the appellant. If the appellant is a client, the additional expense shall be borne by the client and Exchange equally.

For eg. Party filing appeal is a client having claim/counter claim of upto Rs.10 lakhs

Additional cost: Rs.24,000/- (Rs.54,000/- less Rs.30,000/-)

Additional cost to be borne by client: Rs.12,000/-

Additional cost to be borne by Exchange: Rs.12,000/-

Total Appellate fees to be borne by client: Rs.22,000/- (Rs.10,000/- + Rs.12,000/-)

Total Appellate fees to be borne by Exchange / IPF: Rs.32,000/-

For eg. Party filing appeal is a client having claim/counter claim of more than Rs.10 lakhs

Additional cost: Rs.24,000/- (Rs.54,000/- less Rs.30,000/-)

Additional cost to be borne by client: Rs.12,000/-

Additional cost to be borne by Exchange: Rs.12,000/-

Total Appellate fees to be borne by client: Rs.42,000/- (Rs.30,000/- + Rs.12,000/-)

Total Appellate fees to be borne by Exchange: Rs.12,000/-

- vii. No additional fees as prescribed under the head “If the claim is filed beyond timeline prescribed in column 3, (only for members)” shall be applicable for cases which are remanded back from court.
- viii. The revised fee structure shall be applicable for all the Arbitration / Appellate Arbitration cases received from February 24, 2017.

2. Investor Protection Fund (IPF), Investor Service Fund (ISF), Interest on IPF and Interest on ISF

A. Threshold limit for interim relief paid out of IPF in Stock Exchanges

SEBI vide the above circular has enhanced the interim relief to be provided to the client

- (i) In case, award is in favour of client and the member opts for arbitration wherein the claim value admissible to the client is not more than Rs.20 lakhs (Rs. Twenty lakhs), the following steps shall be undertaken by the Stock Exchange:
 - a. In case the IGRP order is in favour of the client and trading member opts for arbitration against the order of the IGRP within 7 days from the date of signing of IGRP order, then 50% of the admissible claim value or Rs.2.00 lakhs (Rs. Two lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchange.
 - b. In case the arbitration award is in favour of the client and the trading member opts for appellate arbitration or filing petition in Court to set aside such arbitral award or Application u/s 33 of Arbitration and Conciliation Act, 1996 within 7 days from the receipt of the award, then a positive difference of 50% of the amount mentioned in the arbitration award or Rs.3.00 lakhs (Rs. Three lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchange. The amount released shall exclude the amount already released to the client at clause (a) above.

- c. In case the appellate arbitration award is in favour of the client and the trading member opts for making an application under Section 34 to set aside the appellate arbitration award or application u/s 33 of the Arbitration and Conciliation Act, 1996, within 7 days from the receipt of the appellate award, then a positive difference of 75% of the amount determined in the appellate arbitration award or Rs.5.00 lakhs (Rs. Five Lakhs), whichever is less, shall be released to the client from IPF of the Stock Exchanges. The amount released shall exclude the amount already released to the client at clause (a) and (b) above.
- d. Total amount released to the client through the facility of interim relief from IPF in terms of this Circular shall not exceed Rs.10.00 lakhs (Ten lakhs) in a financial year.