

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

Download Ref No: NSE/ISC/57362

Date: June 30, 2023

Circular Ref. No: 18/2023

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, Arbitration and Appellate Arbitration. 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 upto March 31, 2023.

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:

Part A	Investor Grievances
Part B	Arbitration
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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- a. *Anything done or any action taken or purported to have been done or contemplated under the rescinded guidelines before the commencement of this Master Circular shall be deemed to have been done or taken or commenced or contemplated under the corresponding provisions of the Master Circular or rescinded guidelines whichever is applicable.*

- b. The previous operation of the rescinded guidelines or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded guidelines, any penalty, incurred in respect of any violation committed against the rescinded guidelines, or any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty as aforesaid, shall remain unaffected as if the rescinded guidelines have never been rescinded.*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

Toll Free No	Email id
1800 266 0050 (select option 5)	ignse@nse.co.in

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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. 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.

For any dispute between the member and the investor relating to or arising out of the transactions in Stock Exchange, which is of civil nature, the investor/ member shall first refer the complaint to the GRC and/ or to arbitration mechanism provided by the Stock Exchange before resorting to other remedies available under any other law.

2. Resolution of complaints by Stock Exchange and handling of complaints by GRC

- i. 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 working days from the date of receipt of complaint. The complainant shall provide the information as per the communication received from the Exchange.
- ii. Once the information sought by the Exchange is received from the complainant, the complaint shall be registered and forwarded to the Trading Member. The Exchange shall attempt to resolve the complaint within 15 working days from the date of registration of the complaint.
- iii. 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 NICEPlus within the timelines specified by the Exchange in the communication sent to the member.
- iv. In case the matter does not get resolved within 15 working days from date of registration of complaint by the Exchange, the same shall be referred to the Grievance Redressal Committee ("GRC").
- v. GRC shall have a time of 15 working days to amicably resolve the complaint through conciliation process. If GRC needs additional information, GRC may request the Exchange to provide the same before the initiation of the conciliation process. In such case, where additional information is sought, the timeline for resolution of the complaint by GRC shall not exceed 30 working days.
- vi. Members / complainants are requested to co-operate by remaining present for the GRC meeting and ensure that the authorized representative appearing before GRC is adequately empowered to take decisions at the meeting.
- vii. GRC shall not dispose the complaint citing "Lack of information and complexity of the case". GRC shall give recommendation to Stock Exchange.

- viii. GRC shall decide claim value admissible to the complainant, upon conclusion of the proceedings of GRC. Upon receipt of the GRC directions, for cases where the GRC has decided admissible claim in favour of the investor, the Exchange shall debit / block 100% of the amount decided as admissible by the GRC out of the deposit of the Member available with the Exchange or in case where the member authorizes the Exchange to utilize the deposit available with the clearing corporation, the deposits available with the clearing corporations shall be utilized. If on account of such debiting/blocking, the deposits of the Member falls below the requirement, the Members' ability to trade may get impacted. Intimation of debiting/blocking will be given to Member.
- ix. The Member has to inform the Exchange through a letter / e-mail id of the compliance officer / dedicated e-mail Id, whether it intends to pursue the next level of resolution i.e. Arbitration within 7 days from the date of receipt of the Grievance Redressal Committee ("GRC") direction.
- x. If no intimation is received within the aforesaid 7 days, the amount decided as admissible by the GRC shall be released to the investor out of the amount debited / blocked from the Member's deposits available with the Exchange / Clearing Corporation. Intimation of release will be given to Member. If confirmation of settlement of claim is received from the Investor before the release of funds to the Investor by the Exchange, the amount debited / blocked shall be refunded / unblocked to the Member.
- xi. In cases where the member, upon providing its intention to pursue Arbitration, does not file an arbitration application within three months from the date of GRC direction, the Exchange shall release the blocked/debited amount to the investor. In such cases the Exchange shall not be liable to refund or recover the amount paid to the investor(s) towards the implementation of the GRC Order. Further the limitation period applicable for arbitration application received without going through GRC mechanism shall be governed by the law of limitation, i.e., The Limitation Act, 1963.
- xii. Service-related complaints: The above procedure described for resolution of complaints shall include service-related complaints too. The following shall be considered as service-related complaints: ·

- Non-receipt/ delay of Account statement, ·
- Non-receipt/ delay of bills, ·
- Closure of account/ branch, ·
- Technological issues, ·
- Shifting/closure of branch without intimation, ·
- Improper service by staff, ·
- Freezing of account, ·
- Alleged debit in trading account, ·
- Contact person not available in Trading member's office, ·
- Demat account transferred without permission

(Refer Circulars

- NSE/ISC/52728 dated June 24, 2022
- NSE/ISC/46858 dated December 31, 2020
- NSE/ISC/24762 dated October 17, 2013
- NSEIL/ARBN/2010/003 dated August 31, 2010
- SEBI circular no. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020)

3. Interim Relief:

Condition: In case the GRC order is in favour of investor and the admissible amount/ award amount is upto Rs.20 lakhs and trading member has provided intent for arbitration within 7 days, then:

- a. 50% of the admissible claim value or Rs. 2.00 lakhs (Rs. Two lakhs), whichever is less, shall be released to the client as interim relief.
- b. In case the arbitration award is in favour of the client and the member opts for appellate arbitration within 7 days, then a positive difference for the below shall be released to the client
 - i. 50% of the amount mentioned in the arbitration award or Rs. 3.00 lakhs (Rs. Three lakhs), whichever is less, and
 - ii. The amount already released to the client at clause (a) above.
- i. In case the appellate arbitration award is in favour of the client and the member opts for making an application under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the appellate arbitration award within 7 days, then a positive difference for the below shall be released to the client
 - ii. 75% of the amount mentioned in the appellate arbitration award or Rs. 5.00 lakhs (Rs. Five Lakhs), whichever is less and
 - iii. The amount already released to the client at clause (a) and (b) above, shall be released to the client.
- c. Total amount released to the client through the facility of interim relief shall not exceed Rs. 10.00 lakhs (Ten lakhs) in a financial year.
- d. Before release of interim relief to the investor, the Stock Exchange shall obtain appropriate undertaking/ indemnity from the investor, to ensure return of the amount so released to the investor in case the proceedings are decided against the investor.
- e. If it is observed that there is an attempt by investor/client either individually or through collusion with Member(s) or with any other stakeholders, to misuse the provision of this Circular, then without prejudice to the powers of the Board to take action, appropriate action in this regard shall be taken against any such person, by the Stock Exchange, including disqualification of the person so involved from henceforth accessing the benefits of this provision.
- f. In case the matter is decided in favour of the investor after conclusion of the proceedings i.e. arbitration, appellate arbitration or court proceedings challenging the award and not pending before any higher appellate authority,

then amount released to the investor shall be taken out of the blocked amount of the Member and the rest if any, payable by TM to investor as per the award, will be released to investor from the blocked amount of TM.

- g. It may be noted that in case the Investor loses at any stage of the proceedings and decides not to pursue it further before the higher appellate authority, then the Investor shall refund the amount released back to the Exchange.
- h. In case the investor fails to make good the amount released, then the investor (based on PAN of the investor) shall not be allowed to trade on any of the Stock Exchanges and the securities lying in the demat account(s) of the investor shall be frozen till such time that the investor refunds the amount. The PAN details of such investor will be displayed on Exchange's website and Members are advised to ensure that such investors are not allowed to trade through them.

(Refer SEBI Circulars:

- CIR/MRD/ICC/30/2013 dated September 26, 2013,
- SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017
- SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 02, 2021

4. 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 A**.

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 attached as **Annexure B**

Refer NSE Circular No. NSE/ISC/50597 dated Dec 14, 2022

5. 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 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>
- Exchange at <https://investorhelpline.nseindia.com/NICEPLUS/>

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

6. 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	<p>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>In case the trading member fails to confirm the compliance of the same within the aforementioned period of 15 days, a penalty</p>

Details of contravention	Disciplinary Action/Charges
	<p>of Rs.1,000/- per day shall be levied till the member complies with the circular to the satisfaction of the Exchange.</p> <p>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>

Refer: NSE Circular No. NSE/ISC/54332 dated Nov 9, 2022 and NSE/ISC/52517 dated Jun 3, 2022

7. Information regarding Grievance Redressal Mechanism to be displayed at offices of Stock Bokers

Stock Brokers (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.

Dear Investor,

In case of any grievance / complaint against the StockBroker / Depository Participant:

Please contact Compliance Officer of the Stock Broker/ Depository Participant (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXXXX.

You may also approach CEO/ Partner/Proprietor (Name) / email-id (xxx.@email.com) and Phone No. - 91-XXXXXXXXXXXX.

If not satisfied with the response of the Stock Broker/ Depository Participant, you may contact the concerned Stock Exchange / Depository at the following:

MII	Web Address	Contact No.	Email-id
BSE	www.bseindia.com	XXXXXXXXXX	xxx@bseindia.com
NSE	www.nseindia.com	XXXXXXXXXX	xxx@nse.co.in
MSEI	www.msei.in	XXXXXXXXXX	xxx@msei.in

MII	Web Address	Contact No.	Email-id
CDSL	www.cdslindia.com	XXXXXXXXXX	xxx@cdslindia.com
NSDL	www.nsdl.co.in	XXXXXXXXXX	xxx@nsdl.co.in

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)

8. Hybrid Mode of Conducting GRC and Arbitration / Appellate Arbitration

During the COVID pandemic, Stock Exchanges were advised to conduct GRC and arbitration / appellate arbitration meetings/hearings online for faster redressal of complaints. The online process of GRC and arbitration / appellate arbitration saves time and cost of the parties involved which is in the interest of investors

Therefore, it has been decided that the Stock Exchanges shall continue with the hybrid mode (i.e., online and offline) of conducting GRC and arbitration / appellate arbitration process.

(Refer SEBI Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 4, 2022 and NSE circular NSE/ISC/52885 dated July 5, 2022)

9. 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.
- 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.

(Refer Exchange Circular no. NSE/ISC/24570 and SEBI circular no. CIR/MRD/ICC/30/2013 dated September 26, 2013)

10. Penalty to be levied on the cases of unauthorized trading (As per NSE circular no. NSE/INSP/36784 dated January 19, 2018 and NSE/ISC/47659 dated March 17, 2021)

The below revised penalty structure shall be applicable for the cases in respect of trades executed from April 1, 2021 and determined as unauthorised trades by the GRC order / Arbitration Award. The penalty structure provided under the circular NSE/INSP/36581 dated December 26, 2017, shall be applicable for the complaints w.r.t. trades executed prior to April 01, 2021 and determined as unauthorised by the GRC order / Arbitration Award.

Details of contravention	Disciplinary Action/Charges
Unauthorised trading determined by Grievance Redressal Committee (GRC) / Arbitration	<p>i) Monetary Penalty per case may be higher of Rs.10,000/- or 1% of the admissible amount determined in the GRC / Arbitration order / award</p> <p>ii) Member will be debarred from taking new clients for a period of one month in case 25% of all the complaints (not less than 10) placed</p>

Details of contravention	Disciplinary Action/Charges
	<p>before GRC / Arbitration in the immediately preceding calendar quarter are determined by it to be unauthorised trading cases.</p> <p>iii) Where the number of unauthorised trading cases as per the numbers indicated at (ii) persist for three consecutive quarters, the member concerned will be debarred from taking new clients for a period of three months.</p> <p>iv) The number of unauthorised trading cases as per numbers indicated at (ii) persist beyond three consecutive quarters, the matter will be placed before the relevant Committee</p>

11. 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. CIR/MRD/ICC/30/2013 dated September 26, 2013 & NSE circular no. NSE/ISC/24570 and SEBI)

12. 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.

13. 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)

14. 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). In order 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

- Register on SCORES portal
- 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 website (link: <https://scores.gov.in/scores/Welcome.html>) and FAQs available for the same.

(Refer NSE circular no. NSE/ISC/41519 dated July 4, 2019)

15. Resolution of Company Complaints by Stock Exchange

SEBI vide its circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022, has suggested process of handling such complaints as under:

Handling of complaints by stock exchanges against certain listed companies

- From September 01, 2020 onwards, stock exchanges are the first recourse for certain categories of complaints against listed companies as provided in Annexure of the said circular. The procedure and actions mentioned below shall only be applicable for those categories of complaints
- Upon receipt of the complaint through SCORES, the Designated Stock Exchange (DSE) shall take up the complaint with the company. The company is required to redress the complaint and submit an ATR to DSE within 30 days from the date of receipt of such complaint.

- In case the ATR is not submitted by the company within 30 days or the DSE is of the opinion that the complaint is not adequately redressed and the complaint remains pending beyond 30 days, a reminder shall be issued by the DSE to the listed company through SCORES, directing expeditious redressal of the grievance within another 30 days.
- On being adequately satisfied with the response of the company with respect to the complaint, the DSE shall submit an ATR to SEBI.
- For any failure to redress investor grievances pending beyond 60 days by listed companies, DSE shall initiate appropriate action against the listed company as detailed below

Action for failure to redress investor complaints by such listed companies:

- DSE shall levy a fine of Rs. 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 22 January, 2020.
- Fines shall also be levied on companies which are suspended from trading on the stock exchanges.
- 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.
- . 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
- 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).
- 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.
- 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.
- 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.
- 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 Rs.10 lakhs, stock exchanges shall forward all the complaints against such listed companies to SEBI for further action, if any.

- Stock exchanges may deviate from the above procedure and actions (Para 24-32), if found necessary, only after recording reasons in writing.
- Stock exchanges shall intimate SEBI through SCORES about all actions taken against the listed company for non-resolution of the complaints and non-payment of fines.
- The time-line for handling complaints along with timelines on the actions to be taken by stock exchanges for non-resolution of investor grievances is provided in Annexure2 of the said circular.
- The fine shall be computed and levied on a monthly basis during the non-compliance period.
- 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.

Action after redressal of investor grievance by such listed companies:

- Company will be treated as compliant if it has redressed the complaints and has paid the levied fines (if any).
- In case the promoters' shareholding is frozen by the DSE, an intimation shall be given to the depositories to unfreeze the promoters' holdings from the date of such compliance.
- In case the listed company has redressed the complaint but has not paid the accrued fines, the DSE shall stop levying further fines. However, the promoters' shareholdings shall remain frozen till the payment of accrued fines.
- If the company has not redressed the investor's complaint but has paid the accrued fines, the Exchange shall continue to levy the fines and may initiate action as deemed appropriate.
- The DSE shall take necessary steps to implement the provisions of this circular. The DSE shall disclose on their website the action(s) taken against the listed companies regarding non-redressal of grievances, amount of fine levied, details regarding the freezing of promoter(s) holding, compliance status of this circular etc.
- The above provisions are without prejudice to the power of SEBI to take action under the securities laws.
- . The DSE may keep in abeyance the action against any noncompliant entity or withdraw the action in specific cases where specific exemption from compliance with the requirements under the LODR Regulations/moratorium on enforcement proceedings has been provided for under any Act, Court Tribunal etc.

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

- 1.Non updation of address /Signature or Corrections etc
2. Non-receipt of Bonus
3. Non receipt of Dividend
4. Non receipt duplicate debt securities certificate
5. Non-receipt of duplicate share certificate
6. Non receipt of fractional entitlement
7. Non receipt of interest for delay in dividend
8. Non receipt of interest for delay in payment of interest on debt security
9. Non receipt of interest for delay in redemption proceeds of debt security

10. Non receipt of interest for delay in refunds
11. Non receipt of interest on securities
12. Non receipt of redemption amount of debt securities
13. Non receipt of refund in Public/ Rights issue
14. Non receipt of Rights Issue form
15. Non receipt of securities after conversion/ endorsement/ consolidation/ splitting
16. Non receipt of securities after transfer
17. Non receipt of securities in public/ rights issue
18. Non receipt of shares after conversion/ endorsement/ consolidation/ splitting
19. Non receipt of shares after transfer
20. Non receipt of shares after transmission
21. Non receipt of shares in public/ rights issue (including allotment letter)
22. Non-receipt of interest for delay in dispatch/credit of securities
23. Receipt of refund/ dividend in physical mode instead of electronic mode
24. Receipt of shares in physical mode instead of electronic mode
25. Demat/Remat
26. 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	a. Companies where moratorium order is passed against the company in winding up/ insolvency proceedings. b. 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:

1. Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).
2. Complaints relating to cases pending in a court or subject matter of quasi-judicial proceedings, etc.
3. 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.
4. 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, 2023 Ref. no. NSE/CML/2023/17 and NSE/CML/2023/12. Circulars are attached as Annexure C

19. Arbitration Mechanism for disputes between a listed company and investor(s)

Explained in detail under point 13 of Arbitration Mechanism.

PART B – CONSOLIDATED CIRCULAR - ARBITRATION MECHANISM**1. Arbitrators****1.1 Maintenance of a Panel of Arbitrators**

A common panel of arbitrators across Exchanges for a region is maintained, the same is applicable for arbitration and appellate arbitration matters. As per SEBI Circular dated February 23, 2017, the fees of Rs. 18,000/- shall be per case per arbitrator.

1.2 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 : [Arbitration Panel - NSE India, National Stock Exchange of India](#)

- Name of the Arbitrator
- Region
- Qualification
- Past Experience
- Number of matters handled

1.3 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.

2. Appointment of Arbitrator through Automatic Process and Common Pool of arbitrators

SEBI introduced automatic process for selection of arbitrators and common pool of arbitrators across Stock Exchanges having nation-wide trading terminals.

'Common pool' of Arbitrators consists of Arbitrators listed on the panels of all stock exchanges having nation-wide trading terminals. The pooling of arbitrators is done centre-wise. To illustrate, the list of arbitrators on the panel of all stock exchanges for the region covered by the Delhi centre is pooled. This enables an applicant from the region to choose any arbitrator from the 'Common Pool' for Delhi.

If the investor and member (trading member or clearing member) fail to choose the Common Arbitrator(s) from the Pool, the Arbitrator(s) would be chosen by an 'Automatic Process'

wherein neither the parties to arbitration (i.e. investor or member) nor the concerned Stock Exchange will be directly involved.

The 'Automatic Process' entails a randomized, computer-generated selection of Arbitrator, from the list of Arbitrators in the 'Common Pool'. The selection process is in chronological order of the receipt of arbitration reference i.e. only after selecting an arbitrator for the former arbitration reference received, selection for the latter shall be taken up.

The 'Automatic Process' sends a system generated, real time alert (sms, email etc.) to all entities involved in the particular case. Further, the communication for the appointment of the Arbitrator is sent immediately and, in any case, not later than the next working day from the day of picking of the Arbitrator. This communication shall be sent by the stock exchange on which the dispute had taken place, to all concerned entities including investors, arbitrators, members, stock exchange etc.

In case of any probable conflict of interest in an arbitration reference being assigned to any Arbitrator, the Arbitrator has to upfront decline the arbitration reference.

After the said arbitrator declines, the 'automatic process' picks the name of another Arbitrator. This will continue till the time there is no conflict of interest, by the selected arbitrator. In this regard, the timelines of 30 days might get extended. However, the Exchange shall record the reasons of such extension.

In case of conflict of interest by the arbitrator, the information for the same may reach the stock exchange on which the dispute has taken place within 15 days of receipt of communication from the Exchange above. The said information may be sent by any method which ensures proof of delivery.

3. Limitation

The limitation period for filing an arbitration reference shall be governed by the law of limitation, i.e., The Limitation Act, 1963.

An investor/member, who is not satisfied with the recommendation of the GRC (Grievance Redressal Committee), shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of GRC recommendation.

Any arbitration application received without going through GRC mechanism, the above time period of three months shall not apply, and for such cases the limitation period for filing arbitration shall be governed by the law of limitation, i.e., The Limitation Act, 1963.

4. Place of Arbitration/Appellate/Appeal u/s 34 in the Court of Law

The arbitration and appellate arbitration shall be conducted at the centre nearest to the address provided by Investor in the KYC form.

The application under section 34 of the Arbitration and Conciliation Act, 1996, if any, against the decision of the appellate panel shall be filed in the competent Court nearest to the address provided by Investor in the KYC form."

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.

5. Process of Arbitration

Application

- If the value of the claim, difference or dispute is more than Rupees Twenty-Five 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 Rupees Twenty-Five Lakhs, then the same shall be referred to a sole arbitrator. In case of any claim difference or dispute which is less than Rupees Twenty-Five Lakhs, if there is a counter claim in excess of Rupees Twenty-Five Lakhs, then the arbitration panel shall be expanded to three arbitrators from a sole arbitrator. On account of such counter claim the additional fees as applicable shall be paid by the parties.
- The arbitration application shall be filed in Form I/IA, along with choice of arbitrators, statement of claim and such other documents (three sets in case of sole and five sets in case of panel of arbitrators). If there is a deficiency in the documents submitted, a deficiency letter is sent to the party stating the defects in the documents submitted and also submitting the rectified set within 15 days period.
- On receipt of the same, the Exchange shall forward one copy of the same to the respondent.
- The respondent shall within seven days from the date of receipt of the Form I/IA from the Exchange, submit Form II/IIA of Circular along with choice of arbitrators and statement of defense to the Exchange.
- On expiry of the seven days period of receipt of Form II/IIA as per Annexure D of Circular by the respondent, the arbitrators will be appointed through the automated process as stated under Point No. 3

Appointment of Arbitrators:

The stock exchange shall ensure that the process of appointment of arbitrator(s) is completed within 30 days from the date of receipt of arbitration/appellate application from the applicant.

Requirement for Hearings:

No hearing shall be required to be given to the parties to the dispute if the value of the claim is Rs.25,000/- 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.

Making of arbitral award:

- The arbitration reference shall be concluded by way of issue of an arbitral award within four months from the date of appointment of arbitrator(s).
- The arbitrator shall submit to the Exchange the arbitral/appellate arbitral award in triplicate and the Exchange will arrange to send one original each to the parties to the dispute and one original will be retained by the Exchange permanently.
- The Managing Director/ Executive Director of the stock exchange may for sufficient cause extend the time for issue of arbitral/appellate award by not more than two months on a case-to-case basis after recording the reasons for the same.

Appeal against the arbitral award:

Any party aggrieved with the arbitral award passed by the sole or panel of arbitrators can file an appeal with the Appellate Arbitrator of the Exchange within one month from the date of receipt of such award.

6. Process of Appellate Arbitration**Application**

- a. The appellate panel shall always consist of three arbitrators who shall be different from the ones who passed the arbitral award appealed against and at least one member of the panel should be a Retired Judge.
- b. The appeal application shall be filed in five sets in Form No. III/IIIA as per Annexure D of Circular, along with choice of arbitrators, statement of appeal, copy of the award appealed against, cost of appeal and such other relevant document necessary for the disposal of the appeal.
- c. On receipt of the same, the Exchange shall forward one copy of the same to the respondent.
- d. The respondent shall within seven days from the date of receipt of the Form III/IIIA from the Exchange, submit Form IV/IVA as per Annexure D of Circular along with the choice of arbitrators and statement of reply to appeal to the Exchange.
- e. On expiry of the seven days period of receipt of Form IV/IVA as per Annexure D of Circular by the respondent, the arbitrators will be appointed through the automated process as stated under Point No. 3
- f. A party filing an appeal before the appellate panel shall pay a fee not exceeding Rs. 54,000 exclusive of statutory dues – stamp duty, service tax etc.) as the arbitrator fees applicable is Rs.18,000/- (Rs. Eighteen thousand) per case. Detailed calculation is explained in point no.8.

Appointment of Arbitrators

- The stock exchange shall ensure that the process of appointment of arbitrator(s) is completed within 30 days from the date of receipt of arbitration/appellate application from the applicant.
- The arbitrators will conduct the hearings within such locations as may be specified by the Exchange.

Making of Appellate awards

- The appellate arbitration reference shall be concluded by way of issue of an appellate arbitral award within three months from the date of appointment of arbitrator(s).
- The arbitrator shall submit to the Exchange the appellate arbitral award in triplicate and the Exchange will arrange to send one original each to the parties to the dispute and one original will be retained by the Exchange permanently.
- The Managing Director/ Executive Director of the stock exchange may for sufficient cause extend the time for issue of arbitral/appellate award by not more than two months on a case-to-case basis after recording the reasons for the same.

Appeal against the appellate arbitral award:

A party aggrieved by the appellate arbitral award may file an application to the Court of competent Court nearest to the address provided by Investor in the KYC form." in accordance with Section 34 of the Arbitration and Conciliation Act, 1996.

7. Cost of Arbitration

Arbitration Fees

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	If claim is filed after six months	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

For defraying the costs that may be incurred for conducting the arbitration proceeding, both the parties to arbitration shall deposit with the Exchange fees as specified above.

Both the parties to arbitration shall pay the fees with the Exchange along with Form No. I/IA or Form No. II/IIA as the case may be, for defraying the costs that may be incurred for conducting the arbitration proceeding provided when there is failure, neglect or refusal by Respondent, being a constituent, to pay fees accordingly, the Applicant shall be responsible for paying such fees. The Exchange shall have the right to recover the deposit from the trading member from the moneys due to it if the trading member fails to pay the fees.

Without prejudice to provisions of clause (a) above, in any claim, difference or dispute referred to arbitration pursuant to Byelaw 1(A) if the Authorised Person fails to pay the fees with the Exchange in accordance with the provisions of clause (a) above, then the trading member to whom such Sub-broker is affiliated shall be liable to make the deposit with the Exchange.

The amount of fees paid, is determined by the amount of the claim initially and thereafter determined based on a higher counter claim, if any.

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 investor will be borne by the Exchange and investor equally and in case of member shall be borne by the concerned member.

An investor, who has claim / counter claim up to Rs.20 lakhs (Rs. Twenty Lacs) and files arbitration reference, will be exempted from filing deposit.

Excess of filing fee over fee payable to the arbitrator, if any, shall be deposited in the IPF of the Exchange.

In all cases except the additional fees charged from the trading members, if the claim is filed beyond the timeline prescribed in column 3, (only for member), on issue of the arbitral award the stock exchange shall refund the deposit to the party in whose favour the award has been passed.

The additional fees charged from the trading members, if the claim is filed beyond the timeline prescribed in column 3, (only for member), if any, to be deposited in the IPF of the respective Stock Exchange

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.

Six months shall be computed from the end of the quarter during which the disputed transaction(s) were executed/ settled, whichever is relevant for the dispute.

Explanation: The six months period as referred in the above table, shall be computed from the end of the quarter during which the disputed transaction (s) were executed/ settled, whichever is relevant for the dispute, and after excluding:-

- (i) the time taken by the Investors Services Cell of the Exchange (the time taken from the date of receipt of dispute till the decision by the Investor Services Cell) to resolve the dispute, and
- (ii) the time taken by the Trading Member to attempt the resolution of the dispute (the time from the date of receipt of dispute by the Trading Member to the date of receipt of the Trading Member's last communication by the Constituent) or one month from the date of receipt of the dispute by the Trading Member, whichever is earlier.

Appellate Arbitration Fees:

As the arbitrator fees applicable is Rs.18,000/- (Rs. Eighteen thousand) per case. Accordingly, the fees applicable for appellate arbitration is Rs.54,000/- (exclusive of statutory dues – stamp duty, service tax etc.) and would be payable by the appellant. The detailed calculation of the appellate fees is explained in NSE Circular No. 02/2017 dated May 31, 2017, as follows:

If the appellant is a investor, the additional expense shall be borne by the investor and Exchange equally.

For eg. Party filing appeal is a investor 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 investor: Rs.12,000/-
- Additional cost to be borne by Exchange: Rs.12,000/-
- Total Appellate fees to be borne by investor: 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 investor 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 investor: Rs.12,000/-
- Additional cost to be borne by Exchange: Rs.12,000/-
- Total Appellate fees to be borne by investor: Rs.42,000/- (Rs.30,000/- + Rs.12,000/-) plus stamp duty charges.
- Total Appellate fees to be borne by Exchange: Rs.12,000/-

8. Interim Relief payment:

Please refer point no. 3 of ISC included above.

9. Implementation of Arbitral/Appellate Arbitral Award in favour of Investors

1. Debiting of Award amount

In case the arbitral / appellate arbitral award is in favour of the investor, the stock exchange shall, on receipt of the same, debit the amount of the award from the security deposit or any other monies of the member (against whom an award has been passed) and keep it in a separate escrow account.

However, where the award is for the delivery of securities, the Exchange may consider the closing price of such securities on the Exchange as on the date of the award or such other date the relevant authority may specify to be reasonable, stating reasons for arriving at the value of such securities and award amount.

2. Interest

A sum directed to be paid by an award shall, unless the award otherwise directs, carry interest at the rate as specified in the Arbitration and Conciliation Act, 1996 as in force at the relevant time, shall be applicable.

3. Timelines & implementation

An investor/member, who is not satisfied with the recommendation of the GRC (Grievance Redressal Committee), shall avail the arbitration mechanism of the Stock Exchange for settlement of complaints within three months from the date of GRC recommendation. If the trading member has failed to file the arbitration within said three months, the amount allowed to the investor at the stage of GRC will be released to the investor.

If the trading member files for arbitration after the expiry of three months and the amount is released to the investor, the Exchange will not be responsible for the recovery of the amount from the investor if the arbitration award is in favor of trading member.

The Members shall convey their intention to Stock Exchanges within 7 days of receipt of the arbitration/appellate arbitration award, as regards whether such Members desire to further challenge the arbitration award/appellate arbitration award.

If the Members do not express their intent to challenge the arbitration award/appellate arbitration award within the above-mentioned timeline, then it would be presumed that Members does not intend to challenge the award and the Stock Exchange shall release the award amount to the investor.

The Members are required to file application for appellate arbitration within one month of the date of receipt of arbitral award.

Further as per section 34 (3) of the Arbitration and Conciliation Act, 1996 the Members have three months to make an application to set aside an arbitral award.

The stock exchange shall implement the appellate arbitral award, by making payment to the investor, along with interest earned on the amount that has been set aside, as soon as

- a. the time for making an application to a Court to set aside such appellate arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996 has expired, and no application has been made, or
- b. when an application to a Court to set aside such appellate arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996, having been made, it has been refused by such Court, or
- c. An application to a Court to set aside such appellate arbitral award under Section 34 of the Arbitration and Conciliation Act, 1996, having been made, but where no stay has been granted by such Court within a period of three months from the date on which the party making that application had received the appellate arbitral award.

The stock exchange shall implement the arbitral award, by making payment to the investor, along with interest earned on the amount that has been set aside, as soon as the time for preferring an appeal before the appellate panel of arbitrators has expired and no appeal has been preferred.

4. Defaulting clients

“A client may be identified as defaulter if the client does not pay the award amount to the member/depository participant as directed in the IGRP/Arbitration /Appellate arbitration order and also does not appeal at the next level of redressal mechanism within the timelines prescribed by SEBI or file an application to court to set aside such order in accordance with Section 34 of the Arbitration and Conciliation Act, 1996 (in case of aggrieved by arbitration/ appellate award).”

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 following path:

https://www.nseindia.com/invest/content/Defaulting_Clients.htm

5. Trading Members leading to default.

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.

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 Committee (GRC)/ Arbitration meetings shall be conducted.

6. Disclosures:

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.

10. Forms for Arbitration:

The following forms specified by the Exchange vide its circular dated August 31, 2010 for arbitration and appellate arbitration are as per Annexure D of this circular:

Sr. No	Form No	Description
1	Form I	New arbitration application
2	Form IA	New arbitration application, in case of issuer
3	Form II	Statement of defence
4	Form IIA	Statement of defence, in case of issuer
5	Form III	Appellate application
6	Form IIIA	Appellate application, in case of issuer
7	Form IV	Statement of reply to appeal
8	Form IVA	Statement of reply to appeal in case of issuer

11. 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:

The 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) should be initiated post exhausting all actions for resolution of complaints including those received through SCORES Portal. The Arbitration reference should be filed with the Stock Exchange where the initial complaint has been addressed.

Disputes pertaining to or emanating from investor service requests such as transfer/transmission of shares, demat/remat, issue of duplicate shares, transposition of holders, investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit

of securities in public issue, interest /coupon payments on securities and delay in processing/wrongful rejection of aforesaid investor service requests may be considered for arbitration.

The provisions applicable to the dispute resolution under the Stock 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) shall be in line with the current norms being followed by the Stock Exchanges for arbitration mechanism including the following:

Arbitration Fees:

The fees per arbitrator shall be Rs. 18,000/- plus stamp duty, service charge etc. as applicable per case. The fees plus stamp duty, service charge etc. as applicable shall be collected from RTAs/ Listed companies and shareholder(s)/ investor(s) separately by the Exchange, for defraying the cost of arbitration.

If the value of claim is less than or equal to Rs.10 lakhs, then the cost of arbitration with respect to the shareholder(s)/investor(s) shall be borne by the Exchange.

Further on passing of the arbitral award, the fees and stamp charges paid by the party in whose favor the award has been passed would be refunded and the fees and stamp charges of the party against whom the award has been passed would be utilized towards payment of the arbitrator fees.

For appellate arbitration, fees of Rs. 54,000/- plus stamp duty, service charge etc. as applicable shall be paid by the appellant only. The Appellate fees shall be non-refundable.

In case, an appellant filing an appeal is a shareholder/an investor having a claim of more than Rs. 10 lakhs, the appellant shall pay a fee not exceeding Rs. 30,000/- plus stamp duty, service charge etc. as applicable and in case of a claim upto Rs. 10 lakhs, the appellant shall pay a fee not exceeding Rs. 10,000/- plus stamp duty, service charge etc. as applicable. Further expenses thus arising shall be borne by the Stock Exchanges and the Investor Protection Fund of Stock Exchanges equally.

Place of Arbitration:

The arbitration and appellate arbitration shall be conducted at the regional centre of the stock exchange nearest to the shareholder(s)/investor(s). The application under Section 34 of the Arbitration and Conciliation Act, 1996, if any, against the decision of the appellate panel of arbitrators shall be filed in the competent Court nearest to such regional centre.

Hearings:

No hearing shall be required to be given to the parties involved in the dispute if the value of the claim or dispute is upto Rs. 25,000/-. In such a case, the arbitrator(s) shall proceed to decide the matter on the basis of documents submitted by the parties concerned.

If the value of claim or dispute is more than Rs. 25,000/-, the arbitrator(s) shall offer to hear the parties to the dispute unless parties concerned waive their right for such hearing in writing. After appointment of the arbitrator(s) in the matter, the Exchange in consultation with the arbitrator(s) shall determine the date and time of the hearing and a notice of the same shall be given by the Exchange to the parties concerned at least ten days in advance. The parties concerned may opt for physical hearings which are conducted in the Stock Exchange Premises or hearing through Video Conference. The hearings through Video Conference may be conducted by the Stock Exchanges after taking consent from the parties concerned.

The arbitrator(s) may conduct one or more hearings, with a view to complete the case within the prescribed timelines.

Passing of Award:

The arbitration proceedings shall be concluded by way of issue of an arbitral award within four months from the date of appointment of arbitrator(s).

The stock exchanges may extend the time for issue of arbitral award by not more than two months on a case-to-case basis after recording the reasons for the same.

Appeal against Arbitral Award:

The appeal against an arbitral award shall be disposed of by way of issue of an appellate arbitral award within three months from the date of appointment of appellate panel.

The stock exchanges may extend the time for issue of appellate arbitral award by not more than two months on a case-to-case basis after recording the reasons for the same.

A party aggrieved by the appellate arbitral award may file an application to the court of competent jurisdiction in accordance with Section 34 of the Arbitration and Conciliation Act, 1996.

In case the parties wish to settle/withdraw the dispute, the arbitrator(s)/ appellate panel may pass an award on consent terms.

Where the award is against the Listed Company/RTA, the Listed Company/RTA shall update the status of compliance with the arbitration award promptly to the exchange.

Imposition of Penalty:

The stock exchanges shall put in place a framework for imposition of penalty on Listed Companies in cases where Listed Companies/RTAs do not honor the arbitral award.

12. NSE's Online Investor Compliant Filing interface: NICE Plus:

Online Investor complaint filing interface viz NSE Investor Centre 'NICE PLUS' was introduced w.e.f. December 15, 2018.

Investors are required to register as New User and login to NICE Plus for filing new complaints / arbitration/appellate matters.

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	http://www.nse-investorhelpline.com/NICEPLUS click on Help option	http://www.nse-investorhelpline.com/NICEPLUS
Trading Member	Help option available on all pages	https://www.connect2nse.com/MemberPortal/ click on NSE Investor centre option

For further assistance/clarification, you may contact on 1800 266 0058 (Press – 2) or email to 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"> SEBI circular no. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 6, 2020 and SEBI/HO/MIRSD/DOS3/P/CIR/2022/78 dated June 3, 2022) NSE Circular No. 15/2022 {Download Reference no -: NSE/ISC/52728} dated June 24, 2022 NSE Circular No. 08/2020 {Download Reference no -: NSE/ISC/46858} dated December 31, 2020 NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24762} dated October 17, 2013 NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no -: NSEIL/ARBN/2010/003} dated August 31, 2010
2.	Interim Relief	<ul style="list-style-type: none"> CIR/MRD/ICC/30/2013 dated September 26, 2013, SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 02, 2021) NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013 NSE Circular No. 27/2021 {Download Reference no -NSE/ISC/50277} dated November 11, 2021
3.	Publishing Investor Charter and disclosure of Investor Complaints by Stock Brokers on their websites	<ul style="list-style-type: none"> SEBI/HO/MIRSD/DOP/CIR/P/2021/676 dated December 02, 2021 NSE Circular No. 30/2021 {Download Reference no-: NSE/ISC/50597} dated Dec 14, 2021
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"> NSE Circular No. 26/2022 {Download Reference no-: NSE/ISC/54332} dated Nov 9, 2022 NSE Circular No. 11/2022 {Download Reference no-: NSE/ISC/52517} dated Jun 3, 2022
5.	Information regarding Grievance Redressal	<ul style="list-style-type: none"> SEBI Circular No. CIR/MIRSD/3/2014 dated August 28, 2014

Sr No.	Subject	Circular References (Both SEBI & NSE)
	Mechanism to be displayed at offices of Stock Bokers	<ul style="list-style-type: none"> NSE Circular No. 4/2014 {Download Reference no-: NSE/ISC/27486} dated September 01, 2014
6.	Hybrid Mode of Conducting GRC and Arbitration / Appellate Arbitration	<ul style="list-style-type: none"> SEBI Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 4, 2022 NSE Circular No. 18/2022 {Download Reference no-: NSE/ISC/52885} dated July 5, 2022
7.	Requirements for Members to address complaints regarding 'unauthorised trades'	<ul style="list-style-type: none"> SEBI circular no. CIR/MRD/ICC/30/2013 dated September 26, 2013 NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013 SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/54 dated March 22, 2018
8.	Penalty to be levied on the cases of unauthorized trading	<ul style="list-style-type: none"> NSE Circular No. 316/2018 {Download Reference no -: NSE/INSP/36784} dated January 19, 2018 NSE Circular No. 04/2021 {Download Reference no -: NSE/ISC/47659} dated March 17, 2021
9.	Dedicated Email id for Investor Grievance	<ul style="list-style-type: none"> SEBI circular no. CIR/MRD/ICC/30/2013 dated September 26, 2013 NSE Circular No. 6/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013
10.	Enhanced Supervision of Stock Brokers – “Trading Member details”	<ul style="list-style-type: none"> NSE Circular No. 28/2022 {Download Reference no -: NSE/ISC/54490} dated November 18, 2022 NSE Circular No. 03/2017 {Download Reference no-: NSE/ISC/2017/35268} dated July 03, 2017
11.	Introduction of dedicated web-based Help desk portal for Investors	<ul style="list-style-type: none"> NSE Circular No. 26/2021 {Download Reference no -: NSE/ISC/49850} dated October 5, 2021
12.	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"> NSE Circular No. 3/2018 Download Reference no -: NSE/ISC/2018/37397} dated April 02, 2018 NSE Circular No. NSE/ISC/2019/4 Download Reference no -: NSE/ISC/41519 } dated July 4, 2019
13.	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	<ul style="list-style-type: none"> SEBI Circular No. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022

Sr No.	Subject	Circular References (Both SEBI & NSE)
	Exchange and shall not be taken up by the Exchange	
14.	Communication with companies with a new functionality on the NSE Electronic Application Processing System (NEAPS) platform.	<ul style="list-style-type: none"> • (NSE Circular No. NSE/CML/2023/17 and NSE/CML/2023/12 dated February 17, 2013)
15.	Penalty to be levied on the cases of unauthorized trading	<ul style="list-style-type: none"> • As per NSE circular no. NSE/INSP/36784 dated January 19, 2018 and • NSE/ISC/47659 dated March 17, 2021

Circular Reference for Arbitration

Sr o.	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"> • <i>SEBI Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010)</i> • <i>(SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017)</i> • <i>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</i> • <i>(NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)</i>
2.	Introduction of Automatic Process and Common Pool of arbitrators	<ul style="list-style-type: none"> • <i>(SEBI Circular no. CIR/MRD/ICC/8/2013 dated March 18, 2013)</i> • <i>(NSE Circular No. 1/2013 {Download Reference no -: NSE/ISC/22988} dated March 19, 2013)</i>
3.	Introduction of new version of NSE Investor Service Centre (NICE Plus) online complaint filing interface	<ul style="list-style-type: none"> • <i>(NSE Circular No. 10/2018 {Download Reference no -: NSE/ISC/39651} dated December 14, 2018)</i>
4.	Limitation	<ul style="list-style-type: none"> • <i>(SEBI circular ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010)</i> • <i>(SEBI Circular No. SEBI/HO/MIRSD/DOS3/P/CIR/2022/78 dated June 03, 2022.)</i> • <i>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</i> • <i>(NSE Circular No. 12/2022 {Download Reference no -NSE/ISC/52535} dated June 06, 2012)</i>
5.	Place of Arbitration/Appellate/Appeal u/s 34 in the Court of Law	<ul style="list-style-type: none"> • <i>(SEBI circular ref. No. CIR/MRD/DSA/24/2010 dated August 11, 2010)</i> • <i>(SEBI circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/649 dated October 22, 2021)</i> • <i>(NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010)</i> • <i>(NSE Circular No. 27/2021 {Download Reference no -NSE/ISC/50277} dated November 11, 2021)</i>

Sr o.	Subject	Circular References (Both SEBI & NSE)
6.	Process of Arbitration	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010) • (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)
7.	Process of Appellate Arbitration	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010) • (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017)
8.	Interim Relief payment	<ul style="list-style-type: none"> • (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) • (SEBI Circular No. CIR/MRD/ICC/30/2013 dated September 26,2013) • (SEBI Circular no. SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 02, 2021) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017) • (NSE Circular No. 4/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013) • (NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021)
9.	Cost of Arbitration/Appellate	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010) • (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) • (SEBI Circular No. CIR/MRD/ICC/29/2013 dated September 26,2013) • (SEBI Circular no. SEBI/HO/MRD1/ICC1/CIR/P/2021/625 dated September 02, 2021)

Sr o.	Subject	Circular References (Both SEBI & NSE)
		<ul style="list-style-type: none"> • (SEBI circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 04, 2022) • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 02/2017 {Download Reference no -: NSE/ISC/2017/35005} dated May 31, 2017) • (NSE Circular No. 5/2013 {Download Reference no -: NSE/ISC/24567} dated September 27, 2013) • (NSE Circular No. 24/2021 {Download Reference no -: NSE/ISC/49522} dated September 06, 2021) • (NSE Circular No. 18/2022 {Download Reference no -: NSE/ISC/52885} dated July 5, 2022)
10.	Implementation of Arbitral/Appellate Arbitral Award in favour of Investors	<ul style="list-style-type: none"> • SEBI Circular No. CIR/MRD/DSA/24/2010 dated August 11, 2010) • (SEBI Circular No. CIR/MRD/ICC/30/2013 dated September 26, 2013) • SEBI Circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/651 dated October 22, 2012 (defaulter member claims) • (NSE Circular No. NSEIL/ARBN/2010/003 {Download Reference no - NSE/ARBN/2010/15609} dated August 31, 2010) • (NSE Circular No. 4/2013 {Download Reference no -: NSE/ISC/24570} dated September 27, 2013) • (NSE Circular No. 28/2021 {Download Reference no -: NSE/ISC/50278} dated November 11, 2021) (defaulter member claims)
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"> • (SEBI circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022) • (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) • (NSE Circular No. 09/2022 {Download Reference no -: NSE/ISC/52463} dated May 31, 2022) • (NSE Circular No. 08/2017 {Download Reference no -: NSE/ISC/2017/36203} dated October 31, 2017 – Defaulting Clients)