

Circular No.: NSDL/POLICY/2022/097

July 07, 2022

Subject: SEBI circular on Investor Grievance Redressal Mechanism and Amendment to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017.

Attention of Participants is invited to NSDL Circular No. NSDL/POLICY/2017/0011 dated March 6, 2017 (SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017) regarding amendment pursuant to comprehensive review of Investor Grievance Redressal Mechanism.

In this regard, SEBI has issued Circular No. SEBI/HO/MRD1/ICC1/CIR/P/2022/94 dated July 04, 2022 on Investor Grievance Redressal Mechanism and Amendment to SEBI Circular No. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017(Copy enclosed).

Participants are requested to take note of the above.

For and on behalf of
National Securities Depository Limited

**Arockiaraj
Manager**

Enclosed: One

FORTHCOMING COMPLIANCE			
Particulars	Deadline	Manner of sending	Reference
Investor Grievance Report (Monthly)	By 10th of the following month.	Through e-PASS	Circular No. NSDL/POLICY/2015/0096 dated October 29, 2015
Artificial Intelligence /Machine Learning Reporting Form (if offering or using such technologies as defined) (Quarterly)	July 15	Through e-PASS	Circular No. NSDL/POLICY/2021/0102 dated October 04, 2021
Cyber Security & Cyber Resilience framework of Depository Participants (Quarterly)	July 15	Through e-PASS	1. Circular no. NSDL/POLICY/2020/0069 dated May 15, 2020. 2. Circular No. NSDL/POLICY/2021/0047 dated May 10, 2021
Reporting of status of the alerts generated by Participants- (Quarterly)	July 15	Through e-PASS	1. Circular No. NSDL/POLICY/2021/0072 dated July 15, 2021 2. Circular No.: NSDL/POLICY/2022/001 dated January 03, 2022
Compliance Certificate (half yearly)	July 31	Through e-PASS	Circular No.: NSDL/POLICY/2020/0152 dated November 19, 2020



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CIRCULAR

SEBI/HO/MRD1/ICC1/CIR/P/2022/94

July 04, 2022

All Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories

Dear Madam / Sir,

Subject: Investor Grievance Redressal Mechanism and Amendment to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017

1. Reference may be made to SEBI Circulars no. CIR/MRD/DSA/24/2010 dated August 11, 2010 on Arbitration Mechanism in Stock Exchanges, no. CIR/MRD/ICC/30/2013 dated September 26, 2013 on Investor Grievance Redressal Mechanism and no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 on amendments pursuant to comprehensive review of Investor Grievance Redressal Mechanism.

Online Web Based Complaints Redressal System:

2. SEBI has implemented an online platform (SCORES) designed to help investors to lodge their complaints, pertaining to securities market, against listed companies and SEBI registered intermediaries.
3. In line with the same, to enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere, all Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories are advised to design and implement an online web based complaints redressal system of their own, which will facilitate investors to file complaints and escalate complaints for redressal through Grievance Redressal Committee (GRC), arbitration, appellate arbitration etc. in accordance with their respective byelaws, rules and regulations. The above redressal mechanism shall be implemented within 6 months from the issuance of this circular. The salient features of the system are enclosed as **Annexure**.
4. The system is intended to expedite redressal / disposal of investors' complaints as it would also obviate the need for physical movement of complaints. Further, the

possibility of loss, damage or misdirection of the physical complaints would be avoided. It would also facilitate easy retrieval and tracking of complaints at any time.

5. All Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories are advised to widely publicise (including in media) its online web based complaints redressal system.

Hybrid Mode of Conducting GRC and Arbitration / Appellate Arbitration:

6. 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.
7. 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. The Depositories shall follow the hybrid mode (i.e. online and offline) of conducting GRC and arbitration / appellate arbitration process.

Amendment to SEBI Circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017:

8. Clause 1.J.(iii) of the SEBI circular no. SEBI/HO/DMS/CIR/P/2017/15 dated February 23, 2017 stands replaced as under:

1.J. Speeding up grievance redressal mechanism

“(iii) A client, who has a claim / counter claim upto Rs.20 lakh (Rs. Twenty lakh) and files arbitration reference, will be exempted from payment of the fees specified in Clause 1.J.(i).”

9. All Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories are directed to:
 - a) make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision immediately;
 - b) bring the provisions of this circular to the notice of the members/ DPs and also to disseminate the same through their website; and
 - c) take steps to make the investors aware of the aforesaid changes/ modifications.
10. This Circular is issued in exercise of the powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act 1992, read with Section 9(2)(n) and Section 10 of the Securities Contracts (Regulation) Act, 1956 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately. All other provisions of the relevant circulars will continue to be in force.

11. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Nirdosh Rajan Minz
Deputy General Manager
Email: nirdoshrm@sebi.gov.in

ANNEXURE

1. The system should be web enabled and provide online access 24 x 7 with the following salient features:
 - Complaints/GRC/Arbitration/Appellate Arbitration and reminders thereon are lodged online at anytime from anywhere;
 - An email is generated instantaneously acknowledging the receipt of the complaint and allotting a unique registration number for future reference and tracking;
 - The matter/case moves online to the entity (intermediary or listed company) concerned for its redressal;
 - The entity concerned can indicate the mode i.e. online or offline for GRC and arbitration.
 - The access of the online system should be given to the Trading Members and Depository Participants.
 - The entity concerned uploads an Action Taken Report (ATR) on the Complaints/GRC/Arbitration/Appellate Arbitration;
 - All Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories peruse the ATR and dispose of the Complaints/GRC/Arbitration/Appellate Arbitration if it is satisfied that the complaint has been redressed adequately;
 - The concerned investor can view the status of the complaint online;
 - The entity concerned and the concerned investor can seek and provide clarification(s) online to each other;
 - The life cycle of a Complaints/GRC/Arbitration/Appellate Arbitration has an audit trail; and
 - All the Complaints/GRC/Arbitration/Appellate Arbitration are saved in a central database which would generate relevant MIS reports to enable all Recognized Stock Exchanges including Commodity Derivatives Exchanges / Depositories to take appropriate policy decisions and or remedial actions.
 - There should be a provision to link the online system with SCORES.
