

## Annexure I

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

1. **Submission of the Complaint and handling of the Complaint by the Entity:**
  - 1.1. All Entities shall review the investors' grievances redressal mechanism from time to time to further strengthen it and rectify the existing shortcomings, if any, in line with this circular.
  - 1.2. All Entities who are in receipt of the complaints of the investors ("**Complaint**") through SCORES, shall resolve the complaint within 21 calendar days of receipt of such Complaint.
  - 1.3. The Complaints lodged on SCORES against any Entity shall be automatically forwarded to the concerned Entity through SCORES for resolution and submission of ATR. Entities shall resolve the Complaint and upload the ATR on SCORES within 21 calendar days of receipt of the Complaint. The ATR of the entity will be automatically routed to the complainant.
  - 1.4. The Complaint against the Entity shall be simultaneously forwarded through SCORES to the relevant Designated Body as mentioned under **Schedule II**. The Designated Body shall ensure that the concerned Entity submits the ATRs within the stipulated time of 21 calendar days.
  - 1.5. The Designated Body shall monitor the ATRs submitted by the entities under their domain and inform the concerned entity to improve the quality of redressal of grievances, wherever required.
  - 1.6. SEBI may concurrently monitor grievance redressal process by entities and Designated Bodies.
2. **First review of the Complaint:**
  - 2.1. In case complainant is satisfied with the resolution provided by the entity vide the ATR or complainant does not choose to review the Complaint, the Complaint shall be disposed on SCORES. However, if the complainant is not satisfied, the complainant may request for a review of the resolution provided by the entity within 15 calendar days from the date of the ATR.
  - 2.2. In case the complainant has requested for a review of the resolution provided by the entity or the entity has not submitted the ATR within the stipulated time of 21 calendar days, the concerned Designated Body shall take cognizance of the Complaint for first review of the resolution through SCORES. The Designated Body shall take up the first review with the concerned Entity, wherever required. The concerned Entity shall submit the ATR to the Designated Body within the time stipulated by the Designated Body.
  - 2.3. The Designated Body may seek clarification on the ATR submitted by the Entity for the first review. The concerned Entity shall provide clarification to the respective Designated Body, wherever sought and within such timeline, as the Designated Body may stipulate. The Designated Body shall stipulate the timeline in such a manner to ensure that the Designated Body submits the

revised ATR to the complainant on SCORES within 10 calendar days of the review sought.

2.4. The Designated Bodies shall be responsible for:

2.4.1. Monitoring and handling grievance redressal of investors against respective entities under their domain as stipulated under **Schedule II**.

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

**3. Second Review of the Complaint:**

3.1. The complainant may seek a second review of the Complaint within 15 calendar days from the date of the submission of the ATR by the Designated Body. In case the complainant is satisfied with the ATR provided by the concerned Designated Body or complainant does not choose to review the Complaint within the period of 15 calendar days, the Complaint shall be disposed on SCORES.

3.2. In case the complainant is not satisfied with the ATR provided by the Designated Body or the concerned Designated Body has not submitted the ATR within 10 calendar days, SEBI may take cognizance of the Complaint for second review through SCORES.

3.3. SEBI may take up the review with stakeholders involved, including the concerned entity or/and Designated Body. The concerned entity or/and Designated Body shall take immediate action on receipt of second review complaint from SEBI and submit revised ATR to SEBI through SCORES, within the timeline specified by SEBI.

3.4. SEBI or the Designated Body (as the case may be) may seek clarification on the ATR submitted by the concerned entity for SEBI review complaint. The concerned entity shall provide clarification to the respective Designated Body and/or SEBI, wherever sought and within such timeline as specified. The second review Complaint shall be treated as 'resolved' or 'disposed' or 'closed' only when SEBI 'disposes' or 'closes' the Complaint in SCORES. Hence, mere filing of ATR with respect to SEBI review complaint will not mean that the SEBI review complaint is disposed.

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

4.1. The procedure for generation of SCORES user ID and password is fully automated for all SEBI registered intermediaries and MIIs registered or recognised by SEBI after August 02, 2019. SCORES user ID and password details shall be sent through auto-generated e-mails, upon completion of process of online grant of registration by SEBI.

4.2. The SCORES user ID and password details shall be sent to the e-mail ID of the Contact Person or the Compliance Officer as provided in the online Registration Form (submitted through the SEBI Intermediaries Portal – <https://siportal.sebi.gov.in>).

- 4.3. Stock Brokers and Depository Participants shall also obtain SCORES authentication. The procedure for obtaining SCORES authentication shall be as may be specified.
5. **SCORES authentication for companies intending to list their securities on recognized stock exchanges:**
- 5.1. All companies intending to get their securities listed on the recognized stock exchanges shall obtain SCORES authentication through the online mechanism available at the SCORES website [www.scores.gov.in](http://www.scores.gov.in).
- 5.2. The companies shall be required to apply for the authentication through the online form available on the abovementioned SCORES website in accordance with the instruction document provided on the website.
- 5.3. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, as under:
- 5.3.1. Companies intending to list on Main Board: A declaration that the Draft Red Herring Prospectus has been submitted to SEBI.
- 5.3.2. Companies intending to list on SME/Debt Platform of stock exchange: A declaration that an application to list its securities has been submitted with the stock exchange/in-principal approval to list its securities has been obtained from the stock exchange.
- 5.4. The SCORES credentials shall be sent to the e-mail ID of the Compliance Officer or the Dealing Officer as provided in the online form.
- 5.5. Complaints against listed companies can be processed by companies in-house or through its Registrar to Issue and Share Transfer Agent (RTI/STA). In case the complaints are processed by the RTI/STA on behalf of the listed company, any failure on the part of the RTI/STA to redress the complaint or failure to update Action Taken Report (ATR) in SCORES, will be treated as failure of the listed company to furnish information to SEBI and non redressal of investor complaints by the listed company.
- 5.6. The Entities can update their primary e-mail address in SCORES where all notifications related to SCORES complaints are sent.
6. **Access to SCORES Portal and other requirements applicable to Designated Bodies:**
- 6.1. The Designated Bodies shall take SCORES Authentication from SEBI. The Designated Bodies shall fill the form placed at **Schedule IV** and submit the same to [scores@sebi.gov.in](mailto:scores@sebi.gov.in). The SCORES user id and password details shall be sent to the e-mail id provided in the Registration Form.
- 6.2. The Designated Bodies shall provide generic e-mail id for the purpose of obtaining SCORES authentication. Further the Designated Bodies shall appoint one nodal officer for the purpose. The details of the nodal officer shall be updated with SEBI, through SCORES or/and through e-mail intimation.

- 6.3. The Designated bodies who already have a complaint redressal portal of their own and desires to integrate it to SCORES through Application Programming Interface (API) shall write to SEBI at [scores@sebi.gov.in](mailto:scores@sebi.gov.in) for the same. It may be noted that SCORES Authentication is mandatory for all the Designated Bodies even though integrated to SCORES through API.
  - 6.4. The Designated Bodies shall have adequate infrastructure/systems in place like manpower etc. to comply with the requirements and process laid down in this circular.
  - 6.5. The Designated Bodies shall have adequate systems in place to curb leakage of any data received through SCORES.
  - 6.6. The Designated Bodies shall maintain Management Information Systems (MIS) reports, which shall be shared with the concerned entities so the latter can adequately track timelines for submission of ATR. SEBI may also require the Designated Bodies to furnish MIS reports in such form and on such periodicity as it may specify from time to time.
  - 6.7. SEBI may appoint or remove any Designated Body for various class of registered intermediaries from time to time.
7. **Action for failure to redress investor complaints by listed companies:**
- 7.1. The procedure and actions mentioned below shall only be applicable for categories of complaints placed at **Schedule V**.
  - 7.2. The Designated Stock Exchange (DSE) shall levy a fine of ₹ 1000 per day per complaint on the listed company for violation of Regulation 13 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR Regulations) read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020.
  - 7.3. Fines shall also be levied on companies, which are suspended from trading on the stock exchanges.
  - 7.4. DSE shall issue a notice intimating the listed company about the levy of fines while also directing it to submit ATRs on the pending complaints and payment of the fines within 15 days from the date of such notice.
  - 7.5. In case the listed company fails to redress the grievances and/or pay fine levied within 15 days from the date of such notice, the concerned DSE shall issue notices to the promoter(s) of such listed company, to ensure submission of ATRs on the pending complaints and payment of fines by the listed company within 10 days from the date of such notice.
  - 7.6. In case the listed entity fails to comply with the aforesaid requirement and/ or pay fine levied within the stipulated period as per the notices, the DSE shall forthwith intimate the depositories to freeze the entire shareholding of the promoter(s) in such listed company as well as all other securities held in the demat account of the promoter(s).
  - 7.7. The depository(ies) shall immediately freeze such demat accounts and also intimate the promoter(s) about the details of non-compliances resulting in freezing of their demat accounts.

- 7.8. In case the listed entity fails to pay the fine or resolve the complaint despite receipt of the notice as stated above, the DSE may initiate other action as deemed appropriate.
- 7.9. While issuing the aforementioned notices, the DSE shall also send intimation to other recognized stock exchange(s) where the shares of such company are listed.
- 7.10. The fine shall be computed and levied on a monthly basis during the non-compliance period.
- 7.11. Amount of fine shall continue to accrue till the date of filing of ATR to the effect of redressal of grievance by the company or till the company is compulsorily delisted, whichever is earlier.
- 7.12. Upon exhaustion of all options as mentioned hereinabove, and if the number of pending complaints exceed 20 or the value involved in such complaints is more than ₹ 10 lakhs, stock exchanges shall forward all the complaints against such listed companies to SEBI for further action, if any.
- 7.13. Stock exchanges may deviate from the above procedure and actions, if found necessary, only after recording reasons in writing.
- 7.14. 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.
- 7.15. The time-line the actions to be taken by stock exchanges for non-resolution of investor grievances is provided in **Schedule VI**.