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CDSL/OPS/DP/POLCY/2022/650

November 9, 2022

SEBI CIR - MASTER CIRCULAR ON THE REDRESSAL OF INVESTOR GRIEVANCES THROUGH THE SCORES PLATFORM

DPs are advised to refer to **SEBI Circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150** dated **November 07, 2022**, regarding **Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform [refer Annexure]**.

DPs are advised to take note of the same and ensure compliance.

Queries regarding this communiqué may be sent to **CDSL – Helpdesk** through e-mail on helpdesk@cdslindia.com or call us on 08069144800.

sd/-

Nilesh Shah
Asst. Vice President - Operations



CIRCULAR

SEBI/HO/OIAE/IGRD/P/CIR/2022/0150

November 07, 2022

To

All Companies whose securities are listed on SEBI recognized Stock Exchanges (Through the Stock Exchanges)

All Intermediaries registered with SEBI (Through the Stock Exchanges for Stock Brokers, Depositories for Depository Participants, AMFI for Mutual Funds and Asset Management Companies)

All recognized Stock Exchanges

All Depositories

Association of Mutual Funds in India (AMFI)

All Investor Associations

All Investors

Dear Sir/Madam,

Subject: Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform

1. SEBI launched a centralized web based complaints redress system 'SCORES' in June 2011. The purpose of SCORES is to provide an administrative platform for aggrieved investors, whose grievances, pertaining to the securities market, remain unresolved by the concerned listed company, registered intermediary or recognized market infrastructure institutions (MIIs).
2. SEBI had been receiving inputs from listed companies, registered intermediaries and recognised MIIs that such investor grievances may be resolved faster if these grievances are taken up directly with the entity concerned at the first instance. Accordingly, it is now mandatory for investors to first take up their grievances for redressal with the entity concerned, through their designated persons/officials who handle issues relating to compliance and redressal of investor grievances. In case, the entity concerned fails to redress the complaint within the timeline provided herein, the investor may then file their complaint in SCORES.
3. The investors may contact the Investor Associations (IAs) recognized by SEBI for any assistance in filing complaints on SCORES. The list of IAs are available on SEBI website (www.sebi.gov.in). Investors may also seek assistance in filing complaints on SCORES from SEBI's toll free helpline number 1800 266 7575 or 1800 22 7575.
4. Investors who wish to lodge a complaint on SCORES (complainant) are required to register themselves on www.scores.gov.in by clicking on "Register here" under the "Investor Corner". While filing the registration form, details like Name of the investor,

Permanent Account Number (PAN), contact details, email id, Aadhaar card number(optional), Central KYC (CKYC) ID (optional) etc. are required to be provided for effective communication and speedy redressal of the grievances. Upon successful registration, a unique user id and a password shall be generated and communicated through an acknowledgement email to the complainant.

5. The complainant may use SCORES to submit the complaint or grievance directly to the listed companies / intermediaries / MII for resolution. Such a complaint is called a “Direct Complaint” and shall be redressed by the entity within 30 days without any intervention of SEBI, failing which the complaint shall be registered on SCORES. Thereafter, SEBI shall take it up with the entity concerned.
6. In order to enhance ease, speed and accuracy in the redressal of grievance, the complaint shall be lodged on SCORES within one year from the date of cause of action, where;
 - i. the complainant has approached the listed company or registered intermediary / MII, as the case may be, for redressal of the complaint **and**,
 - ii. The concerned listed company or registered intermediary/ MII has rejected the complaint **or**,
 - iii. The complainant has not received any communication from the concerned listed company or the registered intermediary / MII **or**,
 - iv. The complainant is not satisfied with the reply received or the redressal action taken by the concerned listed company or an intermediary / MII
7. SEBI reserves its right to reject a complaint lodged on SCORES, if the date of cause of action is more than one-year-old and/or the complainant has not taken up the complaint with the concerned entity prior to the said date.
8. To enhance investor satisfaction on complaint redressal, a one-time ‘Review’ option is also available under SCORES wherein a complainant, if not satisfied with the extent of redressal of grievance by the concerned listed company/ intermediary/ MII, opts for review of the extent of the redressal, within 15 days from the date of closure of the complaint on SCORES. Thereafter, the complaint shall be escalated to the supervising official of the dealing officer of SEBI.
9. The following types of complaints shall not be dealt through SCORES:
 - i. Complaints against companies which are unlisted/delisted and companies on Dissemination Board of Stock Exchanges (except complaints on valuation of securities).

- ii. Complaints relating to cases pending in a court or subject matter of quasi-judicial proceedings, etc.
- iii. Complaints falling under the purview of other regulatory bodies such as Reserve Bank of India, (RBI), Insurance Regulatory and Development Authority of India (IRDAI), Pension Fund Regulatory and Development Authority of India (PFRDAI), Competition Commission of India (CCI), or complaints falling under the purview of other ministries.
- iv. Complaints against a company under resolution under the relevant provisions of the Insolvency and Bankruptcy Code, 2016 (IBC).
- v. 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.
- vi. Liquidated Companies or companies under liquidation.

A. SCORES Authentication for intermediaries and MIs

10. The procedure for generation of SCORES user id and password is fully automated for all new SEBI registered intermediaries and MIs who got registered/ recognised with / 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.
11. The SCORES user id and password details shall be sent to the e-mail id of the Contact Person/Compliance Officer as provided in the online Registration Form (submitted through the SEBI Intermediaries Portal – <https://siportal.sebi.gov.in>).
12. Stock Brokers and Depository Participants are not required to obtain SCORES authentication since complaints against these intermediaries shall continue to be routed through the platforms of the concerned Stock Exchange/Depository.

B. SCORES Authentication for companies intending to list their securities on SEBI recognized stock exchanges

13. An online mechanism for obtaining SCORES credentials for all “companies intending to list their securities on SEBI recognized stock exchanges” was introduced on October 14, 2021. The online form can be accessed on the SCORES website www.scores.gov.in . This has been done as part of SEBI’s green initiative and to streamline the redressal of investor grievances against companies before listing.
14. An Instruction document has been provided along with the Online Form. Companies are encouraged to go through the ‘Instruction document’ before filling up and submitting the online form on the SCORES website.
15. Companies shall attach a declaration, with the online form, on the letter head of the company signed by the Compliance Officer, as under

- i. Companies intending to list on Main Board: A Declaration that the DRHP has been submitted with SEBI.
 - ii. 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.
16. The SCORES credentials shall be sent to the e-mail id of the Compliance Officer/Dealing Officer as provided in the online form.
17. 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 complaints 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.
18. The listed companies/ intermediaries/ MIs, as the case may be, will be allowed to change/ update their primary e-mail address in SCORES where all notifications related to SCORES complaints are sent, on their own.

C. Handling of complaints by stock exchanges against certain listed companies.

19. From September 01, 2020 onwards, stock exchanges are the first recourse for certain categories of complaints against listed companies as provided in **Annexure-1**. The procedure and actions mentioned below shall only be applicable for those categories of complaints.
20. 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.
21. 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.
22. On being adequately satisfied with the response of the company with respect to the complaint, the DSE shall submit an ATR to SEBI.

23. 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.

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

24. 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.

25. Fines shall also be levied on companies which are suspended from trading on the stock exchanges.

26. 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.

27. 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.

28. 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).

29. 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.

30. 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.

31. 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.

32. 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.

33. Stock exchanges may deviate from the above procedure and actions (Para 24-32), if found necessary, only after recording reasons in writing.
34. 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.
35. 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 **Annexure-2**.
36. The fine shall be computed and levied on a monthly basis during the non-compliance period.
37. 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.

E. Action after redressal of investor grievance by such listed companies:

38. Company will be treated as compliant if it has redressed the complaints and has paid the levied fines (if any).
39. 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.
40. 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.
41. 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.
42. 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.
43. The above provisions are without prejudice to the power of SEBI to take action under the securities laws.
44. 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.

F. Other general provisions regarding investor grievance redressal

45. All listed companies, intermediaries and MIs shall review their investors grievances redressal mechanism from time to time so as to further strengthen it and rectify the existing shortcomings, if any. The listed companies, SEBI registered intermediaries and SEBI recognized MIs to whom complaints are forwarded through SCORES, shall take immediate efforts on receipt of a complaint from the complainant within thirty days of receipt of such complaint. The listed companies, intermediaries and MIs shall keep the complainant duly informed of the action taken thereon.
46. The listed companies, intermediaries and MIs shall update the ATR along with supporting documents, if any, electronically in SCORES. ATR in physical form is not required to be sent to SEBI. The proof of dispatch of the reply of the listed company / intermediary/ MI to the complainant should be uploaded on SCORES and preserved by the listed company / intermediary/ MI, for future reference.
47. Action taken by the listed companies, intermediaries and MIs will not be considered as complete if the relevant details/ supporting documents are not uploaded on SCORES and consequently, the complaints will be treated as pending.
48. A complaint shall be treated as resolved/disposed/closed only when SEBI disposes/closes the complaint in SCORES. Hence, mere filing of ATR by a listed company or intermediary or MI with respect to a complaint will not mean that the complaint is not pending.
49. Failure by any listed company, intermediary or MI to obtain the SCORES user ID and password would not only be deemed as non-redressal of investor grievances but also be deemed to be wilful avoidance of the same by such entity. Failure by listed companies, intermediaries and MIs to file ATR on SCORES within the stipulated timelines shall not only be treated as failure to furnish information to SEBI but shall also be deemed to constitute non-redressal of investor grievance.
50. All companies whose securities are listed on recognized Stock Exchanges, intermediaries registered with SEBI and MIs recognized by SEBI are advised to comply with this Circular.
51. Stock Exchanges, Depositories and the Association of Mutual Funds of India (AMFI) are also advised to bring the provisions of this Circular to the notice of all Listed Companies, registered Stock-Brokers, Depository Participants and Asset Management Companies respectively and also to disseminate the same on their websites. Further, the Stock Exchanges, Depositories and AMFI should also arrange for adequate publicity of this Circular.

52. This Circular rescinds the following circulars/directions issued by SEBI till date on the subject matter and shall come into force from the date of its issue:

- i. Circular no.CIR/OIAE/1/2014 dated December 18, 2014
- ii. Circular no.SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018
- iii. Circular no.SEBI/HO/OIAE/IGRD/CIR/P/2019/86 dated August 02, 2019
- iv. Circular no.SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020
- v. Circular no.SEBI/HO/OIAE/IGRD/CIR/P/2020/208 dated October 22, 2020
- vi. Circular no.SEBI/HO/OIAE/IGRD/CIR/P/2021/542 dated October 14, 2021

53. Notwithstanding such rescission,

- a. anything done or any action taken or purported to have been done or taken under the rescinded circulars, prior to such rescission, shall be deemed to have been done or taken under the corresponding provisions of this Master Circular;
- b. any application made to the Board under the rescinded circulars, prior to such rescission, and pending before it shall be deemed to have been made under the corresponding provisions of these regulations;
- c. the previous operation of the rescinded circulars or anything duly done or suffered thereunder, any right, privilege, obligation or liability acquired, accrued or incurred under the rescinded circulars, any penalty, incurred in respect of any violation committed against the rescinded circulars, 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 circulars has never been rescinded;

54. This Circular is issued in exercise of powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

55. This Circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Vandana Rajesh Kumar
Deputy General Manager
Investor Grievance Redressal Division
Office of Investor Assistance and Education
Tel No. 022 26449646
Email id - vandanak@sebi.gov.in



Annexure-1

(to SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022)

Nature of complaints for which the circular is applicable

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

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

Sl. 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.



Sl. No.	Grievances Pertaining to	Process for handling complaints
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

Annexure-2

(to SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 07, 2022)

Timelines for handling of complaints and actions in case of non-compliances

Sr No.	Activity	No of calendar days
1.	Complaint handling:	
a.	Complaint received in SCORES by the listed company	T
b.	Response to be obtained from Listed Company	Within T+30
c.	If no response received, alert to Listed company in the form of reminder for non-redressal of complaint	T+31
d.	Response to be obtained from Listed Company	Within T+60
2.	Action in case of non-compliances:	
a.	Notice to Listed company intimating the fine @ Rs. 1000/- per day, per complaint to be levied for not resolving the complaints within 60 days	T+61
b.	Notice to Promoters for non-resolution of complaints and non-payment of fine to the stock exchange.	T+76
c.	Freezing of promoters shareholdings (i.e. entire shareholding of the promoter(s) in listed company as well as all other securities held in the demat account of the promoter(s)) in demat account.	T+86
d.	Stock exchanges may take any other actions, as deemed appropriate.	
e.	Once Stock exchange has exhausted all options and yet the number of pending complaints exceed 20 or the value involved is more than Rs. 10 lakhs, the Exchange to forward the details of such Listed companies to SEBI for further action, if any	