

Whom to approach and How to lodge an investor complaint?



More often people get confused as whom to approach and how to approach in case of a grievance while dealing in a financial product. This publication is an effort to make the investors understand how to get their complaints resolved, whom to approach, procedures involved, what are the limitations etc.

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Steps in grievance redress mechanism

1 Contact the intermediary/company with

Have clarity as to what went wrong and when. Always keep a file or document whom you spoke to, which date, his response etc.

2

If your complaint has not been redressed / addressed, lodge your complaint on SCORES (SEBI Complaint Redress System) - <http://scores.gov.in>

SCORES is a web based centralised grievance redress system of SEBI. An investor who is not familiar with or does not have access to


SCORES can lodge complaints in physical form by visiting or sending the complaint to any of the offices of SEBI. Such complaints would be scanned and uploaded in SCORES for processing. The salient features of SCORES are:


- ◆ Online access 24 x 7
- ◆ An email and SMS is generated instantaneously acknowledging the receipt of complaint and allotting a unique complaint registration number to the complainant for future reference and tracking
- ◆ Investors can view the status online by logging in the unique complaint registration number and provides for sending reminders
- ◆ Audit trail of each complaint
- ◆ All the complaints are saved in a central database which generates relevant MIS reports enabling SEBI to take appropriate policy decisions and or remedial actions, if any.


Or

You may also lodge your complaint at Investor Services Cell of stock exchanges (SE) if the complaint is against a stock broker / authorised persons/ listed companies and depositories if it is against depository participants. You may sent to the nearest office of the exchanges /depositories.

Points to Remember

1. **Documentation** : Keep copies of agreements, application forms, account statements, contract notes etc. along with all letters, emails, faxes etc. 

 2. **Act Quickly** : It is important that you approach the concerned authority for your grievance redressal quickly.

3. **Seek assistance when in doubt or do not understand whom to approach** 

Types of complaints handled by SEBI

Complaints arising out of activities that are covered under SEBI Act, 1992; Securities Contract Regulation Act, 1956; Depositories Act, 1996 and Rules and Regulations made there under and the provisions that are covered under Section 55A of Companies Act, 1956 are handled by SEBI.

• Complaints against SEBI registered entities

- ⇒ Stock broker/Authorized agent
- ⇒ Stock Exchange
- ⇒ Debenture trustees
- ⇒ Depository
- ⇒ Depository participants
- ⇒ Mutual funds
- ⇒ Registrar to an issue / share transfer agent
- ⇒ Banker to an issue
- ⇒ Merchant bankers
- ⇒ Portfolio managers
- ⇒ Collective investment schemes
- ⇒ Custodian of securities
- ⇒ KRA registration agency
- ⇒ Credit rating agency
- ⇒ Investment Advisers etc.

• Listed companies

• You can also report or provide information on

- ⇒ any irregularities in trading in shares or manipulation in price or violation of insider trading regulations.
- ⇒ unregulated CIS schemes / ponzi schemes etc.

Matters not considered as complaints?

- ⇒ Complaints that are incomplete or not specific
- ⇒ Allegations without supporting documents
- ⇒ Suggestions / guidance / explanation sought
- ⇒ Non listing of shares of private offer
- ⇒ Dissatisfaction on trading price of shares of companies
- ⇒ Disputes arising out of private agreement with companies/ intermediaries

How to lodge a complaint in SCORES?

Log on to <http://scores.gov.in>

Go to 'complaint registration' under 'Investor Corner'

Please fill in the relevant details and attach the documents, if any, and submit. Kindly ensure that valid email and mobile number is entered. In advance, please ensure that you have scanned relevant documents, if any pertaining to the complaint and saved in PDF format (4 MB size) so that it can be attached with the complaint.

You will get an email and SMS acknowledging the receipt of complaint allotting a unique complaint registration number for future reference and tracking.

Limitations while dealing with complaints?

Generally, the entity responds to the complaint within few days after the receipt of the complaint. However, the redressal of complaint may be delayed due to various reasons viz., non receipt of satisfactory reply from the entity, non receipt of information / documents sought by the entity /SEBI from the investor, court matter, entity not traceable or vanished companies etc.



In certain other cases, when the entity or company denies wrong doing and it remains unclear as to who is wrong or whether any wrongdoing occurred at all. If this happens, SEBI cannot act as judge or an arbitrator and force the entity or company to resolve the complaint. However, SEBI takes action against the entities / directors of such companies on the grounds of their unsatisfactory redressal of large number of investor complaints.

Also, SEBI cannot handle following complaints:

- Complaints against unlisted/ delisted/wound up/ liquidated/sick companies
- Complaints that are sub-judice(relating to cases which are under consideration by court of law, quasi-judicial proceedings etc.)

- Complaints falling under the purview of other regulatory bodies viz. RBI, IRDA, PFRDA, CCI, FMC etc., or under the purview of other ministries viz., MCA etc.

Grievance redressal mechanism at exchanges ?

Investor Services Cell (ISC) of Stock Exchanges (SE) / Depositories sent through SCORES or directly by the investors

Stock exchanges have been advised to redress the complaint within 15 days.



Investor Grievance Redressal Committee (IGRC)

If not satisfied, Approach Depository / Investor Grievance Redressal Committee (IGRC) of SEs. The complaints not redressed through ISCs also get referred to IGRCs.

15 days to amicably resolve the investor complaint

If not, IGRC to ascertain the value of the claim admissible to the investor and the amount is blocked in IPF

Member given 7 days from the date of IGRC to inform whether he would pursue arbitration

No

Yes

Stock exchange releases the amount to the investor

Stock exchange releases 50 % of the admissible value or 0.75 lac whichever is less is given to the investor from IPF



Arbitration

It's the quasi judicial process of settlement of dispute, if one party feels that satisfactory redressal of grievance has not taken place at IGRC

If arbitration is in the favour of investor and the member decides to make application in appellate arbitrator panel, then the positive difference of the following is paid from IPF of the exchange

A) 50% of the amount mentioned in the arbitration award or 1.5 lacs which is less and

B) Amount already released to the investor earlier



Appellate Arbitrator Panel

If arbitration is in the favour of investor and the member decides to make application in next higher court, then the positive difference of the following is paid from IPF of the exchange

- A) 75% of the amount mentioned in the appellate award or 2 lacs which is less and
- B) Amount already released to the investor earlier



Courts

- ◆ Undertaking given by the investor to stock exchange to return the amount released to him, in case the proceedings are decided against the investor or he decides not to peruse further.
- ◆ Total amount released to the investor through monetary relief shall not exceed Rs. 5lac in one financial year.
- ◆ In case of non payment of the amount by the investor, trading not allowed on any stock exchange and demat account shall be frozen.

What is Arbitration ?

Arbitration is a quasi judicial process of settlement of disputes between investors and trading members (brokers) / sub brokers or within brokers themselves. It aims at quicker legal resolution of disputes for all the transactions done on the exchange. The arbitration framework is governed by rules, byelaws, circulars and regulations issued by the exchange and SEBI from time to time.



Important points to remember in arbitration

- ⇒ The complaint in the other systems shall be treated as closed, once arbitration proceedings are initiated since it is quasi judicial process.
- ⇒ Arbitration application to be filed within three years from incidence. (Law of limitation)
- ⇒ Choice of selecting arbitrator(s) from the common pool of arbitrators of all the exchanges together ; or else system generated
- ⇒ A panel of three arbitrators, if the value of claim is >25 lakhs and sole arbitrator if < 25 lakhs.

- ⇒ No deposit fees for claims upto 10 lakhs for the investor
- ⇒ Appeal within 30 days to the Appellate Arbitrator panel
- ⇒ Filing of petition in the competent court nearest to the investor's residence.
- ⇒ The fees for appeal shall not exceed Rs. 10 ,000/- , in addition to statutory charges if the claim/ counterclaim is upto 10 lakh.

For more details, visit 'investor' section of exchange / depositories websites.

Whom to approach for other complaints?

Nature of complaints	Whom to approach?
Bank deposits and banking	Banking Ombudsman— http://www.rbi.org.in/Scripts/bs_viewcontent.aspx?id=159
Non banking Financial Companies (NBFCs)	Company Law Board / Consumer Forum / Civil courts
Insurance related	Insurance Regulatory & Development Authority http://www.policyholder.gov.in
Companies –mismanagement, Annual general meeting, Annual report, Non receipt of preferential allotment of shares, corporate actions, minority shareholders' interest etc.	Ministry of Corporate Affairs http://pgportal.gov.in/
Pension Funds	Pension Funds Regulatory & Development Authority of India http://www.pfrda.org.in
Commodities	Forward Market Commission— http://www.fmc.gov.in
Chit funds	Civil courts/ consumer forums
Monopoly and anticompetitive trade practices	Competition Commission of India http://www.cci.gov.in

Call SEBI Toll Free Number for your securities market related queries

1800 266 7575 / 1800 22 7575

For Investor Assistance: asksebi@sebi.gov.in

For Investor complaints: <https://scores.gov.in>

SEBI Toll free helpline is available from 9.30 to 5.30 all days. It provides investors assistance for topics in securities market and guidance for lodging complaints and status of complaints in 14 languages.

Contact Details of SEBI offices

Head Office	Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel : 022-26449000 / 40459000 Fax : 022-26449019-22 / 40459019-22 E-mail : sebi@sebi.gov.in			
Northern Regional office	Chandigarh local office	SCO 127-128, 1st floor, sector 17C, Chandigarh – 160017 Tel: 0172 2541717 chandigarh-lo@sebi.gov.in		
	Lucknow local office	3rd floor, Eldeco corporate Chambers-ii, Vibhuti Khand, Gomti Nagar, Lucknow-226010 Tel- 0522 6005226 lucknow-lo@sebi.gov.in		
	Dehradun local office	2nd Floor, GMVN Building, 74/1,Rajpur Road, Dehradun-248001. dehradun-lo@sebi.gov.in		
Southern Regional Office	Kochi Local office	6TH Floor, Finance Tower, Kaloor Kochi - 682017 Tel – 0484 204100/2404200 cochin-lo@sebi.gov.in		
	Bengaluru Local office	2n Floor, Jeevan Mangal Building, No– 04, Residency Road, Bengaluru—560025 Tel– 080 22222262/22222264 bangalore-lo@sebi.gov.in		
	Hyderabad Local office	1st Floor, Indira Chambers, 8-2622/5A/1, Road No– 10, Avenue 4, Banjara Hills, Hyderabad—500034 Tel – 040 23384475/ 23384476 hyderabad-lo@sebi.gov.in		
Eastern Regional Office	Guwahati local office	4th Floor, Nedfi House, G S Road, Dispur, Guwahati—781005 Tel—91 361 2232825 guwahati-lo@sebi.gov.in		
	Bhubneshwar local office	Stock Exchange Bhavan, P-2, Jayadev Vihar, Chandrasekharpur, Bhubneshwar—751023 Tel– 91 674 2300318-19 bhubneshwar-lo@sebi.gov.in		
	Ranchi Local Office	New Collectorate building, A– Block, room no-601 to 604, 6th Floor, Kutchery Road, Ranchi—834001. Tel– 91 651 2223371 ranchi-lo@sebi.gov.in		
Western Regional Office	Jaipur Local Office	Ground Floor, Jeevan Nidhi building, Ambedkar circle, bhawani singh Road, Jaipur-302 002 tel:+91-141-4022241 Fax: +91-141-4022242 E-mail: lo-jaipur@sebi.gov.in		
	Indore Local office	Madhya Pradesh Stock exchange Ltd,201,Palika Plaza,indore-452 001 Tel:+91-731-4286405/4286406 Fax:+91-731-4286407 E-mail: indore-lo@sebi.gov.in		
	Panaji Local Office	6th Floor EDC House, Atmaram Borkar Road,Panaji-403007 Tel:0832-2423110 Fax:0832-2423110 panaji-lo@sebi.gov.in		
	Raipur Local Offices	1st Floor, Investment Building, Phase-1, LIC Campus, Pandri, Raipur-492 004 Tel-0771-2583991 raipur-lo@sebi.gov.in		
	The Regional Manager, Overseas Towers, 7th Floor, 756-L, Anna Salai, Chennai : 600002. Tel : 044-28880222/2852668 Fax: 28880333 Email : sebisro@sebi.gov.in	The Regional Manager, L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata 700 017 Tel : 033-23023000. Fax: 22874307 E-mail: sebio@sebi.gov.in	The Regional Manager, 5th Floor, Bank of Baroda Building,16, Sansad Marg, New Delhi - 110 001. Tel. Board: 011-23724001-05 Fax : 011-23724006. sebinro@sebi.gov.in	The Regional Manager, Western Regional Office, Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009, Tel : +91-79-26583633-35, E-mail : sebiwro@sebi.gov.in