

# SCORES

## SEBI Complaint Redress System

SEBI  
Ombudsman  
Regulations,  
2003

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SEBI

  
**OMBUDSMAN**  
COMPLAINTS INVESTIGATION & DISPUTE RESOLUTION

# SCORES (SEBI COMPLAINTS REDRESS SYSTEM)

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- SCORES is a web based centralized grievance redress system of SEBI (<http://scores.gov.in>).
- SCORES enables investors to lodge and follow up their complaints and track the status of redressal of such complaints online from the above website from anywhere.
- This enables the market intermediaries and listed companies to receive the complaints online from investors, redress such complaints and report redressal online.
- . An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form at any of the offices of SEBI. Such complaints would be scanned and also uploaded in SCORES for processing.

# The salient features of SCORES are:

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- ❖ SCORES is web enabled and provides **online access 24 x 7**;
- ❖ Complaints and reminders thereon **can be lodged online** at the above website at anytime from anywhere;
- ❖ An **email is generated instantaneously** acknowledging the receipt of complaint and allotting a unique complaint registration number to the complainant for future reference and tracking The complaint forwarded online to the entity concerned for its redressal;
- ❖ The entity concerned uploads an **Action Taken Report (ATR)** on the complaint;

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- ❖ SEBI peruses the **ATR and closes the complaint if it is satisfied** that the complaint has been redressed adequately;
  - ❖ The concerned investor can view the status of the complaint online from the above website by logging in the **unique complaint registration number**;
  - ❖ The entity concerned and the concerned investor can seek and **provide clarification** on his complaint online to each other;
  - ❖ Every complaint has an **audit trail**; and
  - ❖ All the complaints are saved in a central database **which generates relevant MIS reports** to enable SEBI to take appropriate policy decisions and/or remedial actions, if any.

# HOW TO LODGE COMPLAINT IN SCORES?

To register a complaint online on SCORES portal, (<http://scores.gov.in>) click on “Complaint Registration” under “Investor Corner”.

The complaint registration form contains personal details and complaint details.

There are certain mandatory fields in the Form. These fields include Name, Address for correspondence, State, Email Address of Investor.

After filling the personal details, select the complaint category, entity name, nature of complaint related to, complaint details in brief (up to 1000 characters).

A PDF document (up to 1MB of size for each nature of complaint) can also be attached along with the complaint as the supporting document.

On successful submission of complaint, system generated unique registration number will be displayed on the screen which may be noted for future correspondence.

An email acknowledging the complaint with complaint registration number will also be sent to the complainant’s email id entered in the complaint registration form.

# Limitations In Dealing With Complaints

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- Sometimes a complaint is successfully resolved and the entity is advised to send reply to complainant. But in certain cases, the entity or company denies wrongdoing, and it remains unclear as to who is wrong or whether any wrongdoing occurred at all.
- If this happens, SEBI cannot act as a judge or an arbitrator and force the entity or company to resolve the complaint. Further, SEBI cannot act as personal representative or attorney of the complainant.
- Securities laws and other laws provide important legal rights and remedies if an investor has suffered wrongdoing.
- On their own, investors can also seek to resolve their complaint through the courts, consumer courts, or arbitration.

# WHEN CAN SEBI TAKE ACTION FOR NON-RESOLUTION OF THE COMPLAINT?

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While the entity is directly responsible for redressal of the complaint, SEBI initiates action against recalcitrant entities on the grounds of their unsatisfactory redressal of large number of investor complaints as a whole.

Which are the matters that are not considered as complaints by SEBI?

- Complaints that are **incomplete** or not specific
- Allegations **without supporting documents**
- Offering suggestions or seeking guidance/explanation
- Seeking explanation for **non-trading of shares** or illiquidity of shares
- Not satisfied with **trading price** of the shares of the companies
- Non-listing of **shares of private offer**
- Disputes arise out of **private agreement** with companies/intermediaries

# SEBI (INFORMAL GUIDANCE) SCHEME, 2003

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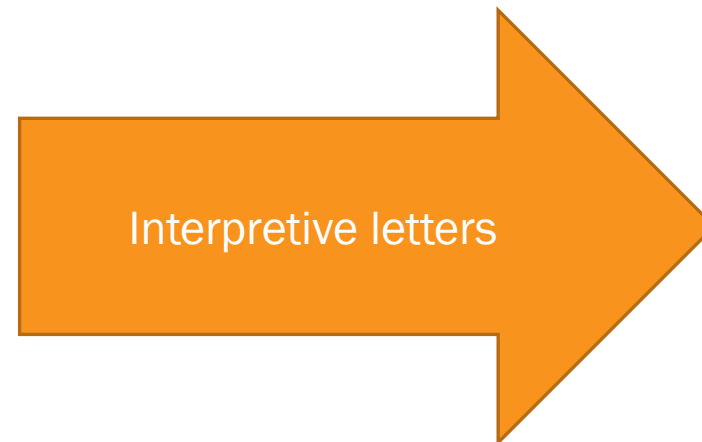
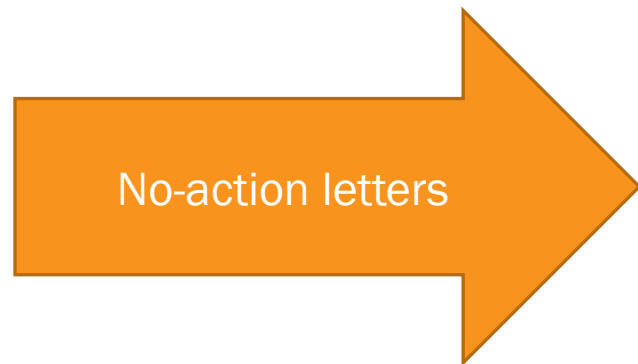
The following p

- I. any **intermediary** registered with the SEBI.
- II. any **listed company**.
- III. any company **which intends** to get any of its securities **listed** and which has filed either a **listing application** with any stock exchange or a draft offer document with the SEBI or the Central Listing authority.
- IV. any **mutual fund** trustee company or asset management company.
- V. any **acquirer or prospective acquirer** under the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 2011



# The informal guidance may be sought for and given in two forms:

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**No-action letters:**

SEBI indicates that the Department would or would not recommend any action under any Act, Rules, Regulations, Guidelines, Circulars or other legal provisions administered by SEBI to the Board if the proposed transaction described in a requested.

**Interpretive letters:**

SEBI provides an interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, Circulars or other legal provision being administered by SEBI in the context of a proposed transaction in securities or a specific factual situation.

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The request seeking informal guidance should state that it is being made under this scheme and also state whether it is a request for a no-action letter or an interpretive letter and should be accompanied with prescribed fees and addressed to the concerned Department of SEBI.

It should also describe the request, disclose and analyze all material facts and circumstances involved and mention all applicable legal provisions. SEBI may dispose off the request as early as possible and **in any case not later than 60 days** after the receipt of the request.

The Department may give a hearing or conduct an interview if it feels necessary to do so. The request or shall be entitled only to the reply. The internal records or views of SEBI shall be confidential

# SEBI may not respond to the following types of requests:

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- those which are general and those which do not completely and sufficiently describe the factual situation;
- those which involve hypothetical situations;
- those requests in which the requestor has no direct or proximate interest;
- where the applicable legal provisions are not cited;
- where a no-action or interpretive letter has already been issued by that or any other Department on a substantially similar question involving substantially similar facts, as that to which the request relates;

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- those cases in which investigation, enquiry or other enforcement action has already been initiated;
  - those cases where connected issues are pending before any Tribunal or Court
  - those cases where policy concerns require that the Department does not respond.

# Confidentiality of Request

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- Any person submitting a letter or written communication under this scheme may request that it receive confidential treatment for a specified period of time not exceeding 90 days from the date of the Department's response.
- If the Department determines to grant the request, the letter or written communication will not be available to the public until the expiration of the specified period.
- If it appears to the Department that the request for confidential treatment should be denied, the requestor will be so advised and such person may withdraw the letter or written communication within 30 days of receipt of the advise, in which case the fee, if any, paid by him would be refunded to him.

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- Where a request is rejected for non-compliance, the fee, if any, paid by the requestor shall be refunded to him after deducting therefrom a sum of Rs. 5,000/- towards processing charges.
  - However, SEBI is not be under any obligation to respond to a request for guidance made under this scheme, and shall not be liable to disclose the reasons for declining to reply the request.

# OMBUDSMAN

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- Ombudsman in its literal sense is an independent person appointed to hear and act upon citizen's complaint about government services.
- This concept **was invented in Sweden** and the idea has been widely adopted.
- For example, various banks, insurance companies have appointed Ombudsman to attend to the complaints of their customers



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- “Ombudsman” means any person appointed under regulation 3 of these regulations and unless the context otherwise requires, includes stipendiary Ombudsman.
  - The Regulations defines stipendiary Ombudsman as a person appointed under regulation 9 for the purpose of acting as Ombudsman in respect of a specific matter or matters in a specific territorial jurisdiction and for which he may be paid such expenses, honorarium, sitting fees as may be determined by SEBI from time to time
  - Every Ombudsman or Stipendiary Ombudsman exercises jurisdiction in relation to an area as may be specified by SEBI by an order.

# Powers and Functions of Ombudsman

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To receive complaints specified in regulation 13 against any intermediary or a listed company or both;

To consider such complaints and facilitate resolution thereof by amicable settlement;

To approve a friendly or amicable settlement of the dispute between the parties;

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To adjudicate such complaints in the event of failure of settlement thereof by friendly or amicable settlement.

The Ombudsman is required to draw up an annual budget for his office in consultation with SEBI and shall incur expenditure within and in accordance with the provisions of the approved budget and submit an annual report to the SEBI within three months of the close of each financial year containing general review of activities of his office. The ombudsman is also under obligation to furnish from time to time such information to SEBI as may be required by SEBI