| INVESTOR SERVICES DEPARTMENT | | |
|---|---|---|
| **Sr. No.** | **Topic** | **Page No** |
| **PART - A** | **INVESTOR GRIEVANCES REDRESSAL MECHANISM** | |
| 1 | Investor Service Centres (ISC)<br>1.1 Investor Service Fund<br>1.2 Investor Grievance Redressal System (IGRS) | 2 |
| 2 | Constitution and Composition of Grievance Redressal Committee (GRC) | 3 |
| 3 | Investor/ Client Grievances Redressal Mechanism | 3 |
| 4 | Reference of Complaint to the Grievance Redressal Committee (GRC) | 4 |
| 5 | Displaying of Information regarding SEBI Complaint Redress System (SCORES) on the website of Members | 7 |
| 6 | Investor Charter – Escalation Matrix | 8 |
| 7 | Settlement of client claim prior to issuing Show Cause Notice (SCN) for declaring the Trading Member (TM) a defaulter | 8 |

## PART – A : {INVESTOR GRIEVANCES REDRESSAL MECHANISM}[1]

### INVESTOR SERVICE CENTRE (ISC) / GRIEVANCE REDRESSAL COMMITTEE (GRC)

### 1. INVESTOR SERVICE CENTRES (ISC)

The Exchange shall set up Investor Service Centres (ISCs) at such locations as it may deem fit or as prescribed by SEBI from time to time to facilitate resolution of complaints received from the investor/client against Trading Member(s) of the Exchange.

#### 1.1 Investor Service Fund (ISF)

{Exchanges are mandated to set up Investor Service Fund (ISF) for providing following basis minimum facilities at various Investor Service Centers (ISC).

a. The ISC shall provide 4 financial newspapers with at least one in the Regional language.
b. The ISC shall install computer software (marketed by some vendors) which provide information about various commodities (agri and non agri) including research reports, general, financial & other important commodity related information. The information will be made available through computers with one master terminal and some dummy terminals through which investors could access this information. Other facilities like copying will be made available to the investors at minimum cost.
c. The ISC shall provide facilities for receiving/recording investor complaints. Special staff recruited/deployed by the exchange for this purpose will register the complaints and provide counseling service to the investors. Status of complaints will be maintained and updated in the computer system of the Center.
d. The ISC shall provide for other infrastructure facilities such as telephone, photocopier, furniture, sitting space, internet connection having access to various directions / circulars issued by SEBI and Government agencies etc.
e. The ISC shall provide published commodity related materials of exchanges for the benefit of the investors. It should also provide the pamphlets / brouchers detailing the rights and obligation of investors while dealing with brokers in commodity markets, FAQ's etc.
f. The ISC shall provide for dummy terminals to display the prices of the commodities listed on the exchange on real-time basis, to enable investors watch the price movements of the commodities etc.
g. The ISC shall maintain a library on relevant laws, financial analysis, market trend analysis etc. for the education of the investors.

h. The ISC shall conduct various investor education and investor awareness programs through seminars, lectures, workshops, publications (print and electronic media), training programs etc. enhance literacy and promoting participation in the commodity derivatives market.}[2]

[1] Exchange circular no. MCX/IG&ARB/100/ 2016 dated March 31, 2026 r/w SEBI circular no. CIR/CDMRD/DIECE/02/2015 dated November 16, 2015.
[2] Exchange circular no. MCX/IPF/179/2017 dated June 14, 2017 r/w SEBI circular no. CIR/CDMRD/DEICE/CIR/P/2017/53 dated June 13, 2017.

## 1.2 INVESTOR GRIEVANCE REDRESSAL SYSTEM (IGRS)

{IGRS is an internet based software with enhanced authentication level and security for login of users with Two-factor authentication}[3], {which enables the clients to lodge their complaints against any registered Member of the Exchange and enables the Members to resolve/respond through the system.

The following functions are facilitated through the said software:

i. Registration of clients on the Exchange's IGRS portal, for lodging of complaints.
ii. Providing response and documents through the software.
iii. Checking the status of complaints.
iv. Faster communication and reduced paper work.} [4]

## 2. CONSTITUTION AND COMPOSITION OF GRIEVANCE REDRESSAL COMMITTEE (GRC)

The Exchange shall constitute GRC at every ISC for dealing with the complaints referred to it by the Exchange, and to hear the parties and to resolve their complaints.

Exchanges shall empanel GRC members, however, no arbitrator/ appellate arbitrator shall be empaneled as GRC member.

The Composition of GRC shall be as specified by the SEBI from time to time.

## 3. INVESTOR/ CLIENT GRIEVANCES REDRESSAL MECHANISM

3.1 An investor/client shall submit his complaint against any member of the Exchange through SCORES (SEBI Complaints Redress System), e-Complaint through Exchange website, E-mail, in writing to the Exchange or through any other software as may be specified by the Exchange/ SEBI from time to time. Upon receipt of the complaint, the Exchange shall forward the complaint to the concerned member(s) through email/letter/ through Exchange specified software to reply/settle the complaint. The Exchange shall ensure that all complaints are resolved within 15 {working}[5] days from the date of receipt of the complaints. In case additional information is required from the complainant, the same shall be sought within 7 working days from the receipt of the complaint. In such case, the period of 15 working days will be counted from the date of receipt of additional information. In case the matter does not get resolved within 15 working days from the date of receipt of the complaint, the same shall be referred to the Grievance Redressal Committee (GRC) for redressal of the complaint. The Correspondence with the Member and the investor / client (who is the client of the Member) may be done on the email, if the email id of the investor is available in the UCC database or on the email id from which the client has been corresponding with the Exchange.

3.2 {The Members are required to provide a dedicated e-mail id for correspondence with the Investor Grievance Department of the Exchange either through a letter / email or through any other software of the Exchange, as may be directed by the Exchange. The Exchange shall communicate the complaints received from the

[3] Exchange Circular No. MCX/ISD/055/2020 January 29, 2020.
[4] Exchange Circular No. MCX/ISD/459/2018 dated November 2, 2018.
[5] Exchange Circular no. MCX/IG&ARB/831/2020 dated November 10, 2020 & MCX/IG&ARB/03/2021 dated January 01, 2021 r/w SEBI Circular no. SEBI/HO/MIRSD/DOC/CIR/P/2020/226 dated November 06, 2020.

investor/client to the Member concerned on the dedicated e-mail id provided by the Member}[6].

3.3 On receipt of the complaint, the Member shall immediately act upon the same and revert with the details of redressal to the Exchange through Exchange specified software/letter /email.

3.4 {The Exchange to maintain a record of all the complaints addressed/redressed within 15 working days from the date of receipt of the complaint/additional information. If complaint is not resolved within stipulated time frame, then the reason for non redressal in given time frame to also be recorded}[7].

## 4. REFERENCE OF COMPLAINT TO THE GRIEVANCE REDRESSAL COMMITTEE (GRC)

4.1 Exchange shall ensure that all the complaints are resolved within 15 working days from receipt of the complaint. In case the complaint does not get resolved within 15 working days from the date of receipt of the complaint/ additional information by the Exchange, the conciliation process of the Exchange shall start immediately and the case shall be referred to the GRC at the ISC nearest to the address provided by the investor/ client in the KYC form.

4.1 A {If the Complaint is not resolved amicably, the same shall be referred to the GRC, after recording the reasons in writing by the Chief Regulatory Officer of the Exchange or any other Officer of the Exchange authorized in this behalf by the Managing Director.}[8]

4.1 B {Service related complaints shall include non-receipt/ delay of Account statement, non-receipt/ delay of bills, closure of account/ branch, technological issues, shifting/closure of branch without intimation, improper service by staff, freezing of account, alleged debit in trading account, contact person not available in Trading member's office, demat account transferred without permission etc.} [9]

4.1 C {Expenses of GRC shall be borne by the respective Exchange and no fees shall be charged to the complainant/member}[10].

4.2 The GRC shall comprise of a single person for claims upto Rs. 25 lakhs and three persons for claims above Rs. 25 lakhs.

4.3 GRC shall adopt a two-fold approach i.e. (i) proceedings leading to direction to the Member to render required service in case of service related complaints and (ii) proceedings leading to an order concluding admissibility of the complaint or otherwise in case of trade related complaints. GRC shall not dispose the complaint citing "Lack of information and complexity of the case". GRC shall give its recommendation to the Exchange.

[6] Exchange circular no: MCX/IG&ARB/104/2016 dated April 5, 2016.
[7] Refer footnote 5.
[8] Refer footnote 5.
[9] Refer footnote 5.
[10] Refer footnote 5.

4.4 {The GRC shall be allowed a time of 15 working days from the date of reference of complaint to GRC to amicably resolve the investor/ client complaint. [If GRC needs additional information then GRC may request the Exchange to provide the same before the initiation of the Conciliation process. In such case, where additional information is sought, the timeline for resolution of the complaint by GRC shall not exceed 30 working days.] The Members are requested to co-operate by remaining present for the GRC meeting and ensure that the authorized representative appearing before the GRC is adequately empowered to take decisions at the meeting.} [11]

4.5 Upon conclusion of the proceedings of GRC and in cases where claim is decided as admissible to the investor/ client, the Exchange shall block an amount equal to admissible claim value out of deposit(s) of the Member concerned. If on account of such blockage, the deposit/collaterals fall below the requirement, Members' ability to trade may get impacted. Intimation of blocking will be given to Members within a day of blocking of funds on the dedicated e-mail id.

4.6 The Member has to inform the Exchange through a letter or dedicated e-mail id whether he intends to pursue the next level of resolution i.e. Arbitration, within 7 days from the date of GRC direction.

4.7 (A) If no intimation is received or the Member does not opt for arbitration, the amount decided as admissible by the GRC shall be released to the investor/client out of the amount blocked from the Member's deposits/collaterals after the aforesaid 7 days. Intimation of release will be given to Member within a day of release of funds on the dedicated e-mail id**.** {In case if the Exchange receives confirmation of settlement of claim from the Investor/ Client before the release of funds to the investor, the amount debited / blocked shall be refunded / unblocked to the Member}[12].

(B) {In cases where the member, upon providing its intention to pursue Arbitration, does not file an arbitration application within three months from the date of GRC direction/order, the Exchange shall release the blocked amount to the investor. In such cases the Exchange shall not be liable to refund or recover the amount paid to the investor(s) towards the implementation of the GRC Order. Further the limitation period applicable for filing arbitration application received without going through GRC mechanism shall be governed by the law of limitation, i.e., The Limitation Act,1963.}[13]

4.8 **Threshold limit for interim relief paid out of IPF in Exchange**

{Exchanges, in consultation with the IPF Trust and SEBI, shall review and progressively increase the amount of interim relief available against a single claim for an investor, at least every three years.}[14]

The Exchanges shall disseminate the interim relief limit fixed by them and any change thereof, to the public through a Press Release and also through its website.

[11] Refer footnote 5.
[12] Refer footnote 5..
[13] Exchange circular no: MCX/ISD/383/2022 dated June 28, 2022
[14] Refer footnote 2

{In case, the Order is in favour of client and the Member opts for arbitration wherein the claim value admissible to the client is not more than Rs. 20 lakhs (Rs. Twenty lakhs), the following steps shall be undertaken by the Exchange:

i. In case the GRC order is in favour of the client, then 50% of the admissible claim value or Rs. 2.00 lakhs (Rs. Two lakhs), whichever is less, shall be released to the investor/ client from the IPF of the Exchange.

ii. In case the arbitration award is in favour of the client and the Member opts for appellate arbitration, then, a positive difference of 50% of the amount mentioned in the arbitration award or Rs. 3.00 lakhs (Rs. Three Lakhs), whichever is less, and the amount released to the client at clause (I) above, shall be released to the client from IPF of the Exchange.

iii. In case the appellate arbitration award is in favour of the client and the Member opts for making an application under Section 34 of the Arbitration and Conciliation Act, 1996 to set aside the appellate arbitration award, then a positive difference of 75% of the amount determined in the appellate arbitration award or Rs. 5 lakhs (Rs. Five lakhs), whichever is less, and the amount released to the client at clause (i) and (ii) above, shall be released to the client from IPF of the Exchanges.}[15]

iv. The release of amounts from the IPF to the investor/client as provided above shall be subject to furnishing of undertaking/ indemnity by him to return the amounts so released, in case the proceedings are decided against him and subject to such other procedure as may be specified by the Exchange from time to time.

v. If it is observed that there is an attempt by investor/client either individually or through collusion with Member(s) or with any other stakeholders, to misuse the provision of this Circular then without prejudice to the powers of the SEBI to take action, appropriate action in this regard shall be taken against any such person, by the Exchange, including disqualification of the person so involved from henceforth accessing the benefits under this Circular.

vi. In case complaint is decided in favour of the investor/client after conclusion of the proceedings, then the amount released to the investor/ client shall be returned to the IPF from the blocked amount of the Member by the Exchange and the rest shall be paid to the investor/ client.

vii. {Total amount released to the client through the facility of interim relief from IPF shall not exceed Rs. 10 Lakhs (Rs. Ten lakhs) in a financial year.}[16]

[15] Exchange circular no. MCX/ISD/677/2021 dated October 25, 2021 r/w SEBI circular No. SEBI/HO/CDMRD/DoC/P/CIR/2021/649 dated October 22, 2021

[16] Refer footnote 15

viii. In case investor/ client loses at any stage of the proceedings and decides not to pursue the matter further, then the investor/ client shall refund the amount released from IPF, back to the IPF of the Exchange. In case investor/ client fails to make good the amount released out of IPF, then such investor/ client (based on PAN of the investor/client) shall not be allowed to trade on any of the Stock/Commodity Derivatives Exchanges till such time the investor/client refunds the amount to the IPF.

ix. The Exchange may also display the names of such investor/clients on their website if considered necessary.

4.9 Members are required to file application for appellate arbitration within one month from the date of receipt of arbitral award. Alternatively, as per section 34 (3) of the Arbitration and Conciliation Act, 1996 the Members have three months to make an application to set aside an arbitral award before the competent Court under said Act. However, in any case the Members who desire to challenge the arbitral award before appellate arbitration or competent Court, shall communicate to the Exchange their intention to do so, within 7 days from the date of receipt of the award.

4.10 If the Members do not express their intent to challenge the arbitration award/appellate arbitration award then it would be presumed that Members do not intend to challenge the award and the Exchange shall take further steps accordingly.

4.11 With a view to redressing complaints regarding 'unauthorised trades', Members are directed to put in place the following:

i) In case the Member has made margin calls to the client and the client has failed to comply with these margin calls, then the contract note issued by Member for transactions owing to non-compliance of such margin calls would bear a remark specifying the same.

ii) The Member shall maintain a verifiable record of having made such margin calls and that the clients have not complied with the same.

**5. Displaying of Information regarding SEBI Complaint Redress System (SCORES) on the website of Members**

{All the Members are required to display the following information on their websites:

Filing of complaints on SCORES – Easy & quick
- a. Register on SCORES portal
- b. Mandatory details for filing complaints on SCORES:
  - i. Name, PAN, Address, Mobile Number, Email ID
- c. Benefits:
  - i. Effective communication
  - ii. Speedy redressal of the grievances

Members are also required to include procedure for filing of complaints on SCORES and benefits for the same in the welcome kit to be given to the investors at the time of registration with them.} [17]

[17] Exchange circular no: MCX/ISD/359/2019 dated July 5, 2019

## 6. Investor Charter – Escalation Matrix

{Investor Grievances escalation matrix to be explicitly displayed on the website and mobile application under the 'Contact Us' page. The 'Contact Us' link should be placed on the index/homepage of the website. Upon clicking the same, it should display the detail as under :

**Escalation Matrix:**

| Details of | Contact Person | Address | Contact No. | Email Id | Working hours |
|---|---|---|---|---|---|
| Customer care | | | | | |
| Head of Customer care | | | | | |
| Compliance Officer | | | | | |
| CEO | | | | | |

In absence of response/complaint not addressed to your satisfaction, you may lodge a complaint with SEBI at https://scores.gov.in/scores/Welcome.html or Exchange at https://www.mcxindia.com/Investor-Services. Please quote your Service Ticket/Complaint Ref No. while raising your complaint at SEBI SCORES/Exchange portal.

**Note:**

- Please mention working hours of each escalation level (eg. Mon-Sat; 9:00 am to 12:30 pm and 2:00 pm to 6:00 pm).
- Same contact number shall not be mentioned for more than one or all escalation levels.
- Contact numbers mentioned shall be handled by the escalated person.
- Ensure the contact numbers mentioned are reachable.
- Ensure IVRS allows caller to the reach the desired escalated level.}[18]

## 7. Settlement of client claim prior to issuing Show Cause Notice (SCN) for declaring the Trading Member (TM) a defaulter

{As per Standard Operating Procedure in the cases of Trading Member / Clearing Member leading to default, the following actions shall be taken by the Exchange :

a) Exchange shall endeavour to settle the claims of maximum number of clients within 30 trading days from crystallization of balances, by way of interim measures under their supervision prior to issuing show cause notice (SCN) for declaring the TM a defaulter. The TM shall be instructed to pay small investors out of available funds and own resources (movable and immovable) under the supervision of the Stock Exchange.

b) Further, the unencumbered deposits available with the Stock Exchanges / Clearing Corporations, after adjusting for any dues of the Exchange / Clearing Corporation and maintaining the minimum BMC, shall also be utilised for settling the credit balance of investors starting from the smallest amount. Such amount shall be paid in full to all such investors having credit balance up to the

[18] Exchange circular no. MCX/ISD/638/2022 dated November 10, 2022 and MCX/ISD/671/2022 dated November 25, 2022

amount of Rs. 25,00,000/- (Rupees twenty five lakh), subject to availability of funds. Further, investors having credit balance of more than Rs. 25,00,000/- (Rupees twenty five lakh) shall be paid on pro-rata basis from the remaining funds.

c) Also, any surplus available with any Stock Exchanges / Clearing Corporations shall be utilised for settling the credit balances of clients with respect to other Stock Exchanges. BGs of the TM shall be invoked and also the FDRs shall be encashed for utilisation. Stock Exchanges / Clearing Corporations may settle such clients in tranches. For this purpose, the balances of client will be netted across exchanges to arrive at the final credit balance due to such client.

d) The TM shall furnish the proof of payment to the clients, to the Stock Exchanges.

e) In this regard, the related parties of the TM shall not be considered for settlement, for which the TM shall provide an undertaking to the Stock Exchanges / Clearing Corporations. TM shall provide indemnity to the Stock Exchanges to make available the funds to meet any shortfall in meeting investor's claim (other than those who have withdrawn their claim). Clients withdrawing their claim will have to submit unconditional withdrawal letter to the Stock Exchanges.}[19]

[19] Exchange circular no. MCX/ISD/313/2022 May 27, 2022 r/w SEBI/HO/MIRSD/DPIEA/P/CIR/2022/72 May 27, 2022.