

EAST INDIA SECURITIES LTD

AWARENESS ON AVAILABILITY OF ONLINE DISPUTE RESOLUTION (ODR) MECHANISM AGAINST STOCK BROKERS

In a move aimed at enhancing investor protection and resolving issues arising from stock market transactions, the Securities and Exchange Board of India (SEBI) has introduced a smart Online Dispute Resolution (ODR) portal. This initiative, prompted by SEBI, is designed to streamline the resolution process for disputes between investors and regulated entities within the securities market.

Understanding ODR

As outlined in a circular issued by SEBI on July 31, the ODR portal addresses conflicts between investors or clients and listed companies stemming from activities in the securities market. The responsibility of establishing and operating this portal rests with market infrastructure institutions (MIIs), which will collaborate to develop and operationalise the platform. An agreement among MIIs will delineate their roles, responsibilities, and financial commitments for the development, operation, upgrading, maintenance, and inspection of the ODR platform.

So, when should an investor turn to the ODR portal? Initially, if an investor encounters a problem, they should file a complaint directly with the involved market participant (East India Securities Ltd). Should the grievance remain unresolved, the investor can escalate the matter through the SCORES (<https://scores.sebi.gov.in/>) (Sebi Complaints Redress System) portal. If, after exhausting these options, the investor remains dissatisfied, the ODR portal becomes the next avenue for dispute resolution.

To ensure the efficient functioning of the ODR portal, SEBI mandates that all listed companies, intermediaries, and regulated entities (market participants) enroll on the platform. Additionally, these entities are advised to prominently display the ODR portal link (<https://smartodr.in/login>) on their websites (<http://eisec.com/formsfc.aspx>).

Process for filing a complaint on the ODR portal

1. Create an account on the platform.
2. File a new dispute by selecting the intermediary involved.

3. Choose the relevant dispute category.
4. Enter dispute details and attach necessary documents.
5. Track the progress of the dispute through the provided timeline.

Once a complaint is filed, the ODR portal will feature facilities for investor and market participant enrolment, complaint filing, and document uploading. Status updates on the complaint will be accessible through the portal, sourced from ODR institutions.

Upon receiving a complaint reference, the ODR institution will appoint an impartial conciliator from its panel. The conciliator will conduct one or more meetings within 21 days to facilitate a mutually agreeable resolution between the disputing parties. If successful, the resolution will be formalized through a settlement agreement.

In essence, SEBI's ODR portal marks a significant step towards enhancing transparency and efficiency in resolving disputes within the securities market, ultimately fostering a more investor-friendly environment.