

WTM/AN/MIRSD/MIRSD_RTAMB/23884/2023-24
BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA
ORDER

UNDER REGULATION 27 OF SECURITIES AND EXCHANGE BOARD OF INDIA
(INTERMEDIARIES) REGULATIONS, 2008

In respect of
Alankit Assignments Limited
(Registrar to an Issue and Share Transfer Agent)
(Registration No: INR000002532)

1. The present matter emanates from a Show Cause Notice dated November 10, 2022 read with Supplementary Show Cause Notice dated January 16, 2023 (hereinafter referred to as “**SCNs**”) issued to Alankit Assignments Limited (hereinafter referred to as “**Alankit/ Noticee**”) under Regulation 27(1) of the SEBI (Intermediaries) Regulations, 2008 (hereinafter referred to as “**Intermediaries Regulations, 2008**”) calling upon it to show cause as to why action as recommended by the Designated Authority (“**DA**”) or any other action as contemplated in the Intermediaries Regulations, 2008 should not be taken. The SCNs enclosed therewith the Report of the DA (hereinafter referred to as “**DA Report**”/ “**Enquiry Report**” / “**ER**”) dated October 25, 2022.

BACKGROUND OF THE MATTER

2. Securities and Exchange Board of India (hereinafter referred to as ‘**SEBI**’) conducted an inspection of the activities of Alankit as a Registrar to an Issue and Share Transfer Agent at its Mumbai Regional Office in the month of March 2019. The Noticee is a SEBI registered Category I - Registrar to an Issue and Share Transfer Agent (‘**RTI/STA**’) having registration number INR000002532. The period covered in the inspection was from April 2017 to February 2019 (hereinafter referred to as ‘**inspection period**’). The purpose of the inspection was to examine the Noticee’s compliance with various regulatory norms/requirement, *inter-alia*, in respect of its investor grievance redressal activities as a SEBI registered RTI/ STA.

3. Based on the conclusions of the inspection, SEBI observed alleged non-compliances by the Noticee in respect of its Registrar to an Issue and Share Transfer Agent activities during the inspection period. The nature of findings of the Inspection Team were as follows:
- (i) Delay in lodging Complaints/ Requests in records/ system in 60 instances out of sample of 168 instances taken during the inspection period.
 - (ii) Delay in resolving complaints/requests in 57 instances out of sample of 60 instances taken during the inspection period beyond the stipulated time limit of 30 days.
 - (iii) Incorrect submission of Data
4. In response to the observations of the Inspection Team, Alankit vide reply dated July 10, 2019 *inter-alia* stated that resolution of complaints exceeded timelines due to migration of data from erstwhile RTA of State Bank of India (SBI), suggestion of internal control team to relook the cases, and due to SBI account maintained at Mumbai whereas Alankit's main office is situated at Delhi.
5. In view of the above conclusions, the Noticee was alleged to have violated the provisions of the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ("**RTA Regulations**") which are reproduced below:

9A. Conditions of registration-

(1)

...

(e) it shall take adequate steps for redressal of grievances of the investors within one month of the date of the receipt of the complaint and keep the Board informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;

18. Obligations of registrar to an issue and share transfer agent on inspection by the Board

(1) It shall be the duty of every director, proprietor, partner, officer and employee of the registrar to an issue or share transfer agent, who is being

inspected, to produce to the inspecting authority such books, accounts and other documents in his custody or control and furnish him with the statements and information relating to the transactions in securities market within such time as the said officer may require.

13. To abide by Code of Conduct.

Every registrar to an issue and share transfer agent holding a certificate shall at all times abide by the Code of Conduct as specified in Schedule III.

CODE OF CONDUCT

1. A Registrar to an Issue and Share Transfer Agent shall maintain high standards of integrity in the conduct of its business.

2. A Registrar to an Issue and Share Transfer Agent shall fulfill its obligations in a prompt, ethical and professional manner.

5. A Registrar to an Issue and Share Transfer Agent shall always endeavor to ensure that –

b. grievances of investors are redressed without any delay;

21. A Registrar to an Issue and Share Transfer Agent shall endeavor to resolve all the complaints against it or in respect of the activities carried out by it as quickly as possible.

6. Pursuant to the Inspection Report, SEBI initiated Enquiry Proceedings against the Noticee under the provisions of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**the SEBI Act**') and Intermediaries Regulations, 2008 and DA was appointed. A Show Cause Notice dated September 07, 2020 was issued to the Noticee by DA under Regulation 25 of the Intermediaries Regulations, 2008 enumerating the findings/ observations of the inspection and the allegations made against the Noticee. In response to the said Show Cause Notice dated September 07, 2020, the Noticee vide letter dated September 14, 2020 informed SEBI that it had applied for settlement of the instant proceedings in terms of SEBI (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as '**Settlement Regulations**'). Thereafter, the concerned department of SEBI vide email dated June 11, 2021 informed the DA that the settlement application filed by the Noticee was rejected.

7. Subsequently, Noticee vide letter dated September 20, 2021, made submissions in reply to the SCN which are summarized below:

- (i) Alankit had been appointed RTA by SBI from July 01, 2018 and during the course of migration of physical share certificates, the cartons were damaged and certificates were mixed. Due to such intermingling coupled with old pendency and inflow of fresh communication from investors, certain complaints pertaining to non-receipt of certificates were closed inappropriately.
- (ii) In respect of 41 out of the 60 cases, the queries had originally been flagged as resolved, before an internal control team of Alankit highlighted that the resolution was not appropriate. As the complaints had to be resolved appropriately and the system did not allow opening of closed complaints, the complaints were entered again in the system. However, SEBI inspection team made their observations on the basis of first inward date.
- (iii) For the remaining 19 cases, Alankit submitted the following:

S. No.	Number of Complaints	Alankit Comments
1.	2	The inward stamp of erstwhile RTA was considered as complaint lodgment date whereas Alankit's stamp date shall be considered.
2.	3	There was delay in lodgment of these complaints received through e-mail and two of these complaints were resolved with delay.
3.	3	The date of letters is not clear and there is no inward stamp. However, the same have been entered in the system.
4.	1	There are multiple stamps affixed and Alankit requested for consideration of its stamp date for consideration of lodgment of complaint.
5.	6	Alankit accepted delay in lodgment of complaints.
6.	3	The date of inward stamp affixed on letters was incorrect.
7.	1	The date of receipt of letter is incorrectly mentioned by Inspection Team though the letter itself is dated for a subsequent date.

- (iv) There was no incorrect submission of data and all the data provided was same as appearing in its software which does not allow any manual intervention/ modification.

8. Subsequently, an opportunity of personal hearing was granted by DA to the Noticee in the matter on July 18, 2022 through online Cisco Webex platform. The Authorised Representatives of the Noticee attended the hearing and reiterated the earlier submissions made by the Noticee vide reply dated September 20, 2021. The Authorised Representatives sought further time to make additional submissions which was granted. Thereafter, the Noticee made the additional submissions vide letter dated July 23, 2022.

9. The submissions of the Noticee to the DA are mentioned below:

- (i) There is no violation whatsoever as alleged in any of the 60 complaints. The inspection team failed to take into account the data provided to them which would demonstrate that no violation can be ascribed to them (Note: *this submission was a marked departure from the earlier submissions made per para 4 and para 7 above*).
- (ii) With respect to 60 complaints highlighted in Inspection, Noticee submitted that 11 complaints showed ex-facie error in noting the dates of lodging or resolving the complaints.
- (iii) For the remaining 49 complaints, Noticee submitted that there was some deficiency in the documents submitted by complainants and accordingly, they had sent letters to complainants for removing deficiency and providing complete documents. However, they did not re-enter a fresh inward number and continued working on the earlier inward number even though documents were received much later. Upon receipt of documents from investors, the complaints were closed within stipulated timelines. The period of 30 days shall start only upon receipt of complete documents from the investors.
- (iv) Noticee submitted supporting documents for all these 60 complaints such as scanned copies of the original inward letters, copies of letters issued by Noticee to the investors asking for more information, to deny the allegations in the DA's Show Cause Notice.

10. Based on his observations, the DA made the following recommendation:

“In view of the above, and in view of the overall facts and circumstances of the case and based on the documents submitted by the Noticee and the material available on record, I, in terms of the provisions of Regulation 26 (1) (vii) of the Intermediaries Regulations recommend that a “regulatory censure” may be issued to the Noticee viz. Alankit Assignments Limited, Category I Registrar and Share Transfer Agent, (SEBI Regn no: INR000002532) to be careful in future with respect to its dealings and conduct in the securities market as an RTA/STA and to adopt due diligent measures such as proper checks and balances in its operations in order to avoid any regulatory lapse.”

POST ENQUIRY PROCEEDINGS

11. In response to the SCN dated November 10, 2022, Noticee vide its reply dated November 21, 2022 submitted that necessary measures have been implemented so that lapses in dealing and conduct of securities may not occur in future and the RTA/ STA department would be more careful and vigilant in future with respect to its dealing and conduct to avoid any Regulatory lapses.

12. After perusing the aforesaid submissions made by the Noticee, a supplementary SCN dated January 16, 2023 was issued to Noticee calling upon it to show cause as to why measures as recommended by DA or any other action as contemplated in the Intermediaries Regulations, 2008 should not be taken. In response to the supplementary SCN, the Noticee vide their letter dated January 24, 2023 submitted that alleged lapses were bonafide, unintentional-inadvertent errors and reiterated its submissions made before the DA.

13. Further, vide the said supplementary SCN, an opportunity of personal hearing was granted to the Noticee on January 27, 2023 through video conferencing. On January 27, 2023, Authorised Representatives of Alankit (*Ankit Agarwal, Director, Harish Chandra Agrawal, Executive Director and Abhinav Kumar Agarwal, Deputy General Manager*) appeared for the Noticee and reiterated their submissions made vide letter dated January 24, 2023. During the hearing, I observed that Noticee claimed to have resolved investor complaints after receipt of complete documents from investors, and claimed that they have a process to stamp and retain investor correspondence.

However, the Noticee did not provide copies of the letters received from investors enclosing complete documents in the above cases. It was conveyed to the Noticee that in the absence of such letters enclosing complete documents, it is not possible to ascertain the actual date of lodging of complaints or the time period within which the complaints were resolved by the Noticee. Therefore, the Noticee was directed to verify and confirm whether it maintained the aforementioned letters or copies thereof in their records. If such letters or copies thereof were not available, the Noticee was advised to explain the reason for their unavailability. Accordingly, the Noticee was directed to submit its reply by January 31, 2023.

14. In response to the query raised during the hearing, Noticee vide its letter dated January 31, 2023 *inter alia* submitted as follows:

- (i) As per procedure adopted by RTA, wherever deficiencies are found in any document received from investor, complete set of documents are returned to investors including their covering letter and Alankit's rejection letter. The said covering letter along with documents are well maintained in Alankit's system. After rectifying the deficiencies as mentioned by Alankit, the investors resend the said documents with the same covering letter which was sent earlier.
- (ii) In 47 such complaints, the investors resubmitted the documents to Noticee after curing the deficiencies and Noticee dispatched certificates to all complainants.
- (iii) In 15 such complaints, there is a stamp of re-lodgment date.
- (iv) In the remaining 32 complaints, due to an oversight and human error, the re-lodgment date stamp could not be affixed and all these cases have been processed in time after receipt of complete documents.
- (v) Alankit has taken all requisite steps for improvement in its system for timely processing of complaints.

ISSUES FOR CONSIDERATION

15. In accordance with Regulation 9A(1)(e) of the RTA Regulations, all investor complaints/grievances are required to be resolved within a period of one month of the date of receipt of the complaint. To ensure that this mandate is implemented, RTAs are required to ensure prompt lodging of the complaints/grievances in their data

management systems. In the present case, it has been alleged that there was substantial delay in lodging and resolution of complaints. I have perused the Post Enquiry SCN and Supplementary SCN including the ER served on the Noticee and other materials / information / reply submitted by the Noticee. Based on the same, the following issues have been identified for consideration:

- (i) Whether the Noticee is liable for delay in lodging of investor complaints?
- (ii) Whether the Noticee is liable for delay in resolution of complaints?
- (iii) Whether the Noticee is liable for incorrect submission of data?
- (iv) What actions/ measures under the Intermediaries Regulations are warranted in the facts and circumstances of this case?

16. I note that the Inspection Report and DA Report had taken into consideration 60 complaints (out of a sample of 168) which were allegedly lodged in the RTA's system belatedly. While bulk of these complaints pertained to 'Non-receipt of Certificates', some of them pertained to 'Non-receipt of Dividend Warrants' or 'Non-receipt of Annual Report'. Out of the aforementioned 60 complaints, it was alleged that there was delay in resolution of 57 complaints. The allegation of incorrect submission of data is connected with the aforementioned allegation i.e. in the context of date of receipt of complaints and timeline for resolution of complaints. The DA Report considered issues (i) and (ii) conjointly and came to the following conclusions:

- (a) Alankit accepted delay in lodgment of complaint/requests in its system in 2 cases.
- (b) With respect to 11 cases, Alankit failed to resolve 3 cases within the prescribed time limit of 30 days, including 2 cases where delay in lodgment was observed.
- (c) With respect to remaining 47 cases, Alankit finally submitted that complete documents were not received from investors/complainants and upon receipt of such complete documents from investors, the complaints were resolved. However, Alankit failed to provide documents to ascertain actual date of receipt of complete documents from investors/complainants which could have indicated whether there were any violations on its part. Therefore, the violations with respect to 47 cases could not be conclusively established.
- (d) With respect to allegation of incorrect submissions by Noticee to the inspection team to conceal the delays caused while redressing/processing of complaints/requests, it observed that the alleged violations can at best be

described as a failure in exercising its duties diligently and the allegations do not stand established conclusively.

17. The crux of the Noticees' contention before the DA (*which has been reiterated before me*) was that in majority of instances, the date on which the complaint was received was incorrectly recorded by the Inspection team since the revised complaint enclosing complete documents had actually been received by the Noticee only on a subsequent date. Consequently, according to the Noticee, in majority of instances, there was in fact no delay in lodging/ resolution of complaint. Proving this argument necessarily requires the Noticee to submit the original as well as revised complaint enclosing all documents. However, the revised complaint was not available on record. Therefore, *prima facie*, I do not agree with the conclusion of the DA at sub-para (c) above. Consequently, a supplementary SCN was issued to the Noticee. During the hearing on January 27, 2023, I specifically asked the Noticee to provide the documentary evidence to support their claim that in 47 cases the revised complaint enclosing all documents had actually been received on a later date. The Noticee has not been able to provide documentary proof to support his claim with respect to all of the 47 complaints.

18. Since individual submissions have been made by the Noticee with respect to most of the 60 complaints in question (out of the original sample of 168), I consider it appropriate to examine each of these submissions separately to assess the merit of the Noticee's claims and to determine whether the recommendation of the DA needs to be agreed with or differed with. Accordingly, the submissions of the Noticee with respect to alleged delay in lodging and resolution of each of the 60 complaints are listed below. Also, my observations as to whether the complaint was resolved within the stipulated time frame (*under regulation 9A(1)(e) of the RTA Regulations*) and whether the Noticee's contentions has merit or not are provided in the Table below, against each individual complaint:

TABLE 1

S. No.	Name of Complainant	Submissions of Noticee	Observations
1.	Srirangam Venkata Vijaya	The stamp which has been considered for lodging by inspection team belongs to erstwhile RTA and	As per copy of letter of investor, there are three inward stamps dated August 20, 2018, August 27, 2018 and October 08,

		does not belong to Noticee. The complaint was received on October 08, 2018 (inward stamp of Alankit) and disposed of vide reply dated October 10, 2018.	2018. However, the identity of stamps for August 20, 2018 and August 27, 2018 is not clear. In view of the inconclusive evidence regarding said two stamps, the benefit of doubt may be given to the Noticee and it may be presumed that complaint was received on October 08, 2018. Therefore, it appears that the complaint was resolved within the stipulated time frame.
2.	Pradeep Kumar	The letter from investor was dated September 27, 2018, received by Noticee on October 03, 2018 and resolved vide letter dated October 25, 2018. However, inspection team erroneously recorded the date of receipt as September 03, 2018 which is even before date of letter.	It appears that the date of inward stamp was manually corrected from September 03, 2018 to October 03, 2018. However, it is clear that the investor's letter is dated September 27, 2018. Therefore, the complaint appears to have been resolved within stipulated timeframe.
3.	Uma Uday Desai	The letter from investor was dated September 25, 2018, received by Noticee on September 28, 2018 and responded to vide letter dated October 17, 2018. However, the inward stamp was incorrectly put for September 03, 2018 and inspection team erroneously recorded the same as date of receipt which is even before date of letter.	Even though the stamp is dated September 03, 2018, it is clear that investor's letter is dated September 25, 2018. Therefore, the complaint appears to have been resolved within stipulated timeframe.
4.	Om Prakash Singh	The letter from investor was dated February 01, 2019 which was received by Noticee on February 21, 2019. The complaint was resolved vide letter dated March 05, 2019. However, the inspecting team	The date of letter is manually written as February 01, 2019 and there is an inward stamp of Alankit dated February 21, 2019. Further, as per envelope of investor's letter provided by Noticee, the

		considered the date of receipt as November 10, 2018.	letter was dispatched on February 19, 2019 through Speed Post. Therefore, the complaint appears to have been resolved within stipulated timeframe.
5.	S.A. Satish	The available record show that S.A. Satish's complaint was received on September 25, 2018 through email but lodged only on October 03, 2018. Similarly, complaint of Archana Jain was received on February 01, 2019 through email but lodged only on February 8, 2019. Noticee admitted that the e-mail was in the junk folder and missed. Though there was delay in lodging, the complaint was resolved within the stipulated time.	Noticee has admitted to the delay in lodging of the complaint. The documents also bear out this delay. However it appears based on material available on record that the said complaints were resolved within the stipulated time frame.
6.	Archana Jain		
7.	Chouth Mal Ahir	The stamp which has been considered for lodging the complaint does not belong to Noticee and is the inward stamp of SBI Corporate Office dated November 14, 2018. The complaint was received on December 06, 2018 and resolved within 2 days.	The inward stamp of November 14, 2018 appears to be from SBI. However, there is no inward stamp of Noticee on the investor's letter and there is an inward number only. Nonetheless, it appears that the complaint was resolved within stipulated time.
8.	Umesh Chand Sharma	The letter was received from investor on October 03, 2018 and responded to vide letter dated October 24, 2018. However, the inspection team incorrectly took the same as September 03, 2018.	Upon perusal of the undated letter from investor, it is observed that the initial stamp date is September 03, 2018 which was manually corrected to October 03, 2018. Further, it is observed that Inward number of the said letter purportedly received on October 03, 2018 is 110005819 whereas Inward number of

			another letter from an investor purportedly received on September 28, 2018 is 110005880 i.e. inward numbers do not appear to be in chronological order. Therefore, the Noticee has been unable to adequately prove that the letter was received in October 2018 and resolved within the stipulated timeframe.
9.	Shrikant Ravindranath Riswade	The letter from investor was dated August 31, 2018, received at Noticee's office on September 04, 2018 and responded vide letter dated September 28, 2018. However, the inspection team considered the date of receipt as July 01, 2018 which is completely erroneous.	The date of letter is not legible. Further, there is an inward number on the investor's letter but there is neither a stamp of Noticee nor date of receipt. Therefore, the Noticee has been unable to adequately prove that the letter was received in September 2018 and resolved within the stipulated timeframe.
10.	Inderjit Singh	The complaints were lodged in the system on October 01, 2018 and resolved vide letters dated October 24, 2018 and October 25, 2018. SEBI inspection team observed the date of receipt of complaint as July 01, 2018. Even though there is no date on the letters, as per copy of bank passbook enclosed by Inderjit Singh, the last entry was dated September 07, 2018. Therefore, the date of receipt of complaint cannot be July 01, 2018.	It is observed that there is no date recorded on the letters/complaints received from the investors. Further, there is no inward stamp on the complaints received from investors and only inward number is mentioned on the letters. Upon perusal of the contents of the letter of investor, it is observed that investor has sought new certificate after split of shares. For such a request there appears to be no need to enclose bank passbook with his letter as he is not seeking any remittance / dividend from Noticee and investor has not stated anything about enclosing bank passbook with his letter. Also, the passbook relied on by the Noticee and purportedly
11.	Sukhdev Singh		

			belonging to Inderjit Singh does not provide any details of the Account Holder and simply shows some transactions. Upon perusal of the said passbook, one cannot determine that the passbook belongs to Inderjit Singh or not. Accordingly, the reliance of the complainant on the passbook does not support its contention. Therefore, the submissions of Noticee do not adequately prove that complaints were resolved on time.
12.	Falak Dave	Noticee submitted that the complaint was received through e-mail on July 20, 2018 wherein investor sought a hard copy of Annual Report of SBI. Noticee further submitted that Annual Report was dispatched to the investor on July 30, 2018 without entering it in the system and later on, it was entered in the system on September 04, 2019 and closed accordingly on September 06, 2019 for record purpose.	It is observed that the Noticee has accepted delay in lodging the complaint. Further, with respect to resolution of complaint, Noticee has presented two letters dated July 30, 2018 and September 04, 2018 to contend that Annual Report was dispatched to investor. It is observed that the letter dated July 30, 2018 does not bear any reference number. Further, in its letter dated September 04, 2018 while sending the Annual Report, Noticee has not made any reference to its earlier letter dispatching Annual Report or that it is sending the Annual Report again. Therefore, it is not adequately established that complaint was resolved within time period of 30 days from receipt of the complaint.
13.	Avanti Institute of	Noticee has submitted that upon receipt of e-mail dated November 10, 2018 from the investor, the hard copy	Upon perusal of documents provided by Noticee, it is observed that the investor had sent six reminder e-mails from

	Cardiology Pvt. Ltd.	of Annual Report was dispatched on November 12, 2018 without entering in the system. Later on, the complaint was entered in system on February 20, 2019 and closed on February 22, 2019.	November 10, 2018 to February 19, 2019 to Noticee alleging that he had not received a copy of the Annual Report. Therefore, it appears that the complaint was not resolved on November 12, 2018 and appears to have been resolved only in February 2019 which points to delay in lodging/resolving the complaint.
14.	Suresh Kumar Kasat	On July 04, 2018, Noticee received letter dated July 02, 2018 from investor seeking change of signature and for sending certificate of face value of Re. 1. As sufficient KYC documents were not attached, Noticee vide letter dated July 20, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on November 23, 2018 which were attached to letter received on July 04, 2018 along with inward stamp of November 23, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 27, 2018.	Upon perusal of the documents, it is observed that complainant submitted his letter only for recording change of signature. Further, it appears that Noticee had already enclosed signed copies of his KYC documents along with his letter dated July 02, 2018. However, Noticee's letter dated July 20, 2018 stated that complaint is for non-receipt of share certificate and sought KYC documents from complainant. Further, Noticee's letter dated November 27, 2018 does not make reference to their earlier correspondence. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
15.	Mahesh Karsanbhai Patel	Complainant's letter seeking issuance of duplicate share certificates was received by Noticee on July 31, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated August 25,	Upon perusal of the documents, it is observed that the complainant had provided complete KYC documents along with affidavit, duly filled questionnaire, bank statement upto June 29, 2018 etc.

		2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 26, 2018 which were attached to letter received on July 31, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 01, 2018.	Further, all these documents were stamped and notarized on July 13, 2018. In the absence of the complainant's letter purportedly providing complete documents and copies of KYC documents (duly notarized) already enclosed by complainant in his letter received by Noticee on July 31, 2018, the Noticee's contention that the complaint was returned for providing all relevant documents cannot be accepted. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
16.	Meenakshi D. Rane	Complainant's letter dated August 08, 2018 was received by Noticee on August 10, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 07, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 10, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 01, 2018.	Upon perusal of the documents, it is observed that the complainant has specifically mentioned in her complaint that she has attached a copy of her PAN card and Aadhar Card. Further, the copies of the same are also self-attested by complainant along with date of August 08, 2018 (same as her letter date). Also, there is an inward stamp of Noticee dated August 09, 2018 on the said attested copies of KYC documents which only establishes that the documents were already available with Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that

			complaint was resolved within stipulated time.
17.	Mehta Ashok Kumar Ramniklal	Complainant's letter dated August 14, 2018 was received by Noticee on August 20, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 07, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 20, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 01, 2018.	Upon perusal of the letter dated August 14, 2018, it is observed that the complainant has specifically mentioned that he is attaching copies of his KYC documents. Further, the same are also self-attested by the complainant along with date of August 14, 2018 (same as his letter date). Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
18.	Balaram Debnath	Complainant's letter dated August 27, 2018 was received by Noticee on August 29, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 28, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 29, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 01, 2018.	Upon perusal of the documents, it appears that the complainant had attached copies of his KYC documents along with his letter dated August 27, 2018 and mentioned the same in the said letter. Further, Noticee's letter dated November 01, 2018 also states that self-attested copies of KYC documents were attached with letter dated August 27, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.

19.	Karekal Eshwarappa	Complainant's letter dated August 03, 2018 was received by Noticee on August 04, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 03, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 19, 2018 which were attached to letter received on August 29, 2018 and re-entered in the system. The complaint was resolved vide letter dated October 30, 2018.	Upon perusal of the documents, it appears that the complainant had attached copies of his KYC documents along with his letter dated August 03, 2018. Further, Noticee's letter dated October 30, 2018 also states that self-attested copies of KYC documents were attached with letter dated August 03, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
20.	Tejkaran Jain	Complainant's letter dated October 22, 2018 was received by Noticee on October 24, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated October 31, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. This complaint was not lodged in the system as documents were not attached. The complete documents were received on November 17, 2018 when the complaint was entered in the system. The complaint was resolved vide letter dated November 27, 2018.	In the context of this complaint, Noticee's letters dated October 31, 2018 and November 27, 2018 were specifically perused. Though Noticee has contended that sufficient KYC documents were received on November 17, 2018, the narration in the aforesaid letters suggest that complete KYC documents had already been received by the Noticee and the same has been acknowledged by the Noticee in the aforementioned letters. Further, the contents of both the letters are same. Thus, it is unlikely that same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that

			complaint was resolved within stipulated time.
21.	Molly Joshy	Complainant's letter dated June 26, 2018 was received by Noticee on September 22, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated October 18, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on November 01, 2018 when the complaint was re-entered in the system. The complaint was resolved vide letter dated November 12, 2018.	Upon perusal of the documents, it is observed that the complainant had attached self-attested copies of her KYC documents along with her letter dated June 26, 2018. Further, in its letter dated November 12, 2018, Noticee has not made any reference to earlier correspondence dated October 18, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
22.	Babu Lal Raikwar	Complainant's letter dated August 17, 2018 was received by Noticee on August 28, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 20, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on November 01, 2018 which were attached to letter received on August 28, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 12, 2018.	Upon perusal of the documents, it is observed that the complainant had attached self-attested copies of his KYC documents along with his letter dated August 17, 2018 and mentioned the same in the letter. Further, in its letter dated November 12, 2018, Noticee has not made any reference to earlier correspondence dated September 20, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that

			complaint was resolved within stipulated time.
23.	Phool Chand Chaubey	Complainant's letter dated July 26, 2018 was received by Noticee on August 08, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 03, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on September 27, 2018 which were attached to letter received on August 08, 2018 and re-entered in the system. The complaint was resolved vide letter dated October 04, 2018.	Upon perusal of the documents, it is observed that complainant had provided attested copies of KYC documents with his letter dated July 26, 2018 and the same was also mentioned in the said letter by complainant. Further, Noticee in its letter dated October 04, 2018 has acknowledged that complainant provided attested copies of KYC documents along with his letter. Thus it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
24.	Surjit Kumar Choudhary	Complainant's letter dated August 08, 2018 was received by Noticee on August 14, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 10, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 14, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 03, 2018.	Upon perusal of the documents, it is observed that complainant had provided copies of KYC documents along with his letter dated August 08, 2018 and mentioned the same in the said letter. Further, Noticee has acknowledged in its letter dated November 03, 2018 that complainant had provided self-attested copies of KYC documents along with letter dated August 08, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that

			complaint was resolved within stipulated time.
25.	Om Prakash Yellappa Mukkirwar	Complainant's letter dated August 08, 2018 was received by Noticee on August 14, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 10, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 08, 2018 which were attached to letter received on August 14, 2018 and re-entered in the system. The complaint was resolved vide letter dated October 10, 2018.	Upon perusal of the documents, it is observed that complainant had provided copies of KYC documents along with his letter dated August 08, 2018 and mentioned the same in the said letter. Further, in its letter dated October 10, 2018, Noticee has not made any reference to earlier correspondence. Thus it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
26.	Gudimella Rama	Complainant's letter dated August 04, 2018 was received by Noticee on August 31, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated September 13, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 14, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 12, 2018.	Upon perusal of the documents, it is observed that complainant had provided self-attested copies of KYC documents along with her letter dated August 04, 2018 and mentioned the same in the said letter. Further, Noticee has acknowledged in its letter dated November 12, 2018 that complainant provided self-attested copies of KYC documents along with letter dated August 04, 2018. It is also observed that complainant had sought new split share certificate. However, Noticee's letter dated September 13, 2018 provides for procedure to be followed in case of loss of certificates and it does not mention

			anything about non-receipt of KYC documents. It appears to have no correlation with the request of the complainant. Noticee appears to have resolved the complaint only vide its letter dated November 12, 2018. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
27.	Kuldeep Singh Makkar	Complainant's letter dated July 19, 2018 was received by Noticee on July 24, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated August 23, 2018 advised investor to send complete KYC documents to consider the request and held the letter at its end. The complete documents were received on October 25, 2018 which were attached to letter received on August 23, 2018 and re-entered in the system. The complaint was resolved vide letter dated November 12, 2018.	Upon perusal of the documents, it is observed that complainant had provided copies of KYC documents along with his letter dated July 19, 2018 and mentioned the same in the said letter. Further, Noticee has acknowledged in its letter dated November 12, 2018 that complainant provided self-attested copies of KYC documents along with letter dated July 19, 2018. Thus, it is unlikely that the same documents were again sent to the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
28.	Patgiri Sisir Ranjan	Complainant's letter was received by Noticee on December 11, 2018. As sufficient KYC documents were not attached, Noticee vide letter dated January 04, 2019 advised investor to send complete KYC documents to	Upon perusal of the documents, it is observed that complainant had provided self-attested copies of KYC documents along with his request. Further, in its letter dated February 16, 2019, Noticee has not made any reference to earlier

		consider the request and held the letter at its end. The complete documents were received on February 13, 2019 which were attached to letter received on December 11, 2018 and re-entered in the system. The complaint was resolved vide letter dated February 16, 2019.	correspondence with complainant. Thus, it appears that complete documents were already available with the Noticee. Therefore, as per available records, it appears that complete documents were already available with the Noticee and it has failed to adequately prove that complaint was resolved within stipulated time.
29.	Remaining 32 complaints	The Noticee has claimed that with respect to remaining 32 complaints, Alankit received incomplete documents from the investor and the same were returned for rectifying the deficiency in the documents. The investor subsequently returned the documents to the Alankit after curing/rectifying all the deficiencies. However due to an oversight and human error, the re-lodgment date stamp could not affixed and all these cases have been processed in time after receipt of complete documents.	In the absence of any documentary evidence, the bald assertion that revised complaints were received (and resolved) cannot be accepted. 'Oversight' in 32 such instances out of 60 indicates significant negligence on the part of the RTA.

19. A summary of the above observations are as follows:

- (i) In 7 instances, the Noticee has been able to support his claim that the complaints were resolved in time.
- (ii) In 21 instances, Noticee has not provided sufficient evidence of timely resolution. In fact, the available record strongly suggests that there has been

a delay. Noticee's responses are not backed by evidence and come across as suspicious, aimed at covering up the delay.

- (iii) In 32 instances, the Noticee claims to have inadvertently omitted to have affixed the re-lodgment stamp. Evidently there has been delay in resolution of the complaint.

CONCLUSIONS

20. RTAs are an important part of the securities market ecosystem which are *inter-alia* entrusted with the responsibility of maintaining investors' records of a listed company, handling investor complaints, and retaining trust in the securities ecosystem. For an investor in the securities market holding shares of a listed company, RTA is the face of the company to which it has to correspond for all its issues and queries relating to its shareholding. Further, the listed companies also expect the RTAs to address the issues of shareholders efficiently and effectively. It is pertinent for RTA to conduct its business diligently, efficiently, and maintain utmost integrity while dealing with investors to ensure that the rights of investors and their trust in the securities market are upheld. It is for this purpose only that Code of Conduct under Schedule III to the RTA Regulations, 1993 directs RTA to maintain high standards of integrity in the conduct of its business and fulfill its obligations in a prompt, ethical and professional manner. RTA is expected to lodge the grievances/ complaints immediately and in terms of Regulation 9A of RTA Regulations, 1993, dealing with conditions of registration, it is expected to redress the grievances of investors within one month of the date of receipt of the complaint.

21. In the present matter, Noticee has himself submitted that it is handling more than 20 million shareholders of 166 listed companies including more than 15 PSUs. Therefore, it is expected to maintain highest standards of professionalism and integrity in its dealings. However, the Noticee has conducted itself in a manner which raises serious concerns around the processes followed by it to lodge/ resolve the complaints. The Noticee has not been able to provide satisfactory explanation to the allegations of delay in lodging/ resolution of complaints. The thrust of the Noticee's submissions have changed from acknowledging delays and attributing reasons for the same in 2019 to now stating that there have been no substantial delay in the first place. The latest stand is based on incomplete documents and unproven assertions, despite specific directions given by the DA as well as the undersigned.

- 22.** Furthermore, at the very least, such changes in the Noticee's stance, delays in resolution of investor complaints, and subsequent assertions of compliance that are contrary to the evidence, reflect poorly on the quality of critical processes relating to client servicing, and do not engender trust.
- 23.** In view of the observations at Table 1 above, in 53 cases (out of the 60 in question), there is evidence of a delay in resolution of investor complaints. The submissions of the Noticee summarized in Table 1 above reveal inconsistency and ineffectiveness of processes to resolve grievances/ complaints. These are unbecoming of an important market intermediary of the size and significance of the Noticee. Therefore, I find that the allegations pertaining to delay in lodging/ resolution of complaints stands established against the Noticee.
- 24.** On the allegation of submission of incorrect data, I note that the DA's SCN dated September 07, 2020 had alleged that the SEBI Inspection team had observed discrepancy in data between what was seen on the Alankit Registrar and Transfer Agent System (ARTS) software maintained by the Noticee and what was told to the SEBI Inspection team. The alleged discrepancy was with respect to the date of the receipt of complaints and the timeline of resolution of complaints. The response to this allegation was given in the replies dated September 20, 2021 and July 23, 2022 to the DA. According to the Noticee, it held the letters at its end and that it entered fresh inward dates in the system upon receipt of complete documents. It has also submitted that ARTS software does not allow any manual intervention/ modification leading to the difference in dates/ timeline. However, as I have observed in the preceding paragraphs, Noticee has been unable to provide any evidence of fresh communication from investors enclosing complete documents. In the absence of evidence of such communication from investors, I am not convinced of the genuineness of the submissions made by the Noticee with respect to the delay in lodging/ resolving investor complaints, especially since the evidence on hand in more than a few cases (for instance, at S. Nos. 8, 10, 11, 13, 14, 15, 16, 23, etc. in the Table above) directly contradict the Noticee's assertions. In any case, the RTA is expected to have robust system for data management that would aid effective and timely grievance redressal. Providing incorrect or unsubstantiated information to the regulator on the ground that the systems failed to capture the correct

data is indicative of poor professional conduct by an intermediary that is critical to the securities market ecosystem. Therefore, I conclude that the allegation pertaining to submission of incorrect data stands established against the Noticee.

- 25.** In many instances, while the Noticee claims to have asked the complainants to enclose all relevant documents and file revised complaints, it is observed that the original complaints themselves contained the very same documents purportedly sought by the Noticee. Claims by the Noticee to the effect that no covering letter was submitted along with the revised complaint and that only re-lodgment stamp were placed in the same letter, does not appeal to logic. Moreover, even this re-lodgment stamping claimed to have been done by the Noticee has evidently not been done at least with respect to 32 complaints. This is in the very least indicative of lax processes around a critical function of the Noticee. Beyond this, I have doubts about the accuracy of the overall assertions of the Noticee, given evidence to the contrary in many cases as enumerated earlier.
- 26.** It is relevant to reiterate that in 53 out of 60 complaints, Noticee has either been unable to substantiate his submissions with documents that the complaints were lodged/ resolved in time or it is established from the record that the Noticee indeed delayed in lodging/ resolving the complaints. In response to the specific query raised during the hearing held on January 27, 2023 with respect to non-availability of letters from investors/ complainants providing complete documents, Noticee did not provide any justification for the absence of such documents and has only stated that it has since improved its systems for lodging/resolution of complaints. The statement, in its reply dated January 31, 2023, that investors in all cases resent the same original letters with fresh documents is intriguing. Such unsubstantiated claims that are contrary to the evidence on record cast serious concerns regarding the integrity of the process followed by the Noticee in redressing investor complaints/ grievances, and do little to engender trust.
- 27.** To reiterate, it is observed that Noticee has submitted different replies to inspection team and then to the DA with respect to delay in lodging/ resolution of complaints. Noticee had submitted to the inspection team that delay was due to mixing of records during migration from erstwhile RTA. Thereafter, Noticee further submitted that they have an internal control team which verifies the transactions processed against complaints

lodged by investors. According to Noticee, during one such verification, the internal control team recommended relooking at some of the incorrectly closed complaints. However, the Noticee has completely changed its submissions before the DA. Vide its reply dated July 23, 2022 to the DA, it has come up with the submission that some of the observations of inspection team had ex-facie error and that in the majority of the complaints, the investors had submitted incomplete documents due to which it waited for complete documents from investors. Upon receipt of such complete documents, it re-entered the complaints in the RTA's system to resolve them. The Noticee has not been able to substantiate many of its revised submissions with evidence. In some of the instances highlighted in Table 1 above, the Noticee has clearly admitted receipt of documents in its letter to investor/ complainant, yet it has contended non-receipt of documents from the investor/ complainant.

FINDINGS

28. From the abovementioned observations and facts and circumstances, I am convinced that the Noticee had not resolved grievances within the time frame stipulated by the RTA Regulations in a large number of cases relative to the sample size, thereby not maintaining the high standards of integrity and fairness required in the conduct of its business. The large number of defaults within the sample size inspected by SEBI and the inadequate/ inconsistent justification provided for such defaults also leads me to the conclusion that the Noticee had failed to exercise due diligence and proper care and to fulfill its obligations in a prompt, ethical and professional manner. In view of the above, I find that the Noticee has violated Regulations 9A(1)(e), 18 and 13 read with the Code of Conduct of the RTA Regulations.

29. Given that the Noticee has not only delayed in resolution of complaints but has been changing its submissions and its final submissions have not been corroborated with evidence, I find that the action as recommended by DA vide Report dated October 25, 2022 is not commensurate with the violations committed by the Noticee.

ORDER

30. In view of the findings above, I, in exercise of powers conferred under Regulation 27(5) of the Intermediaries Regulations, 2008 read with Section 19 of the SEBI Act, hereby restrain Alankit Assignments Limited (SEBI Registration No. INR000002532), from

taking up any new assignment or contract i.e. onboarding new clients for a period of six (6) months from the date of this order.

- 31.** Additionally, the concerned department of SEBI shall conduct an inspection of the Noticee to review its governance and process framework with respect to investor grievance redressal mechanism.
- 32.** This order shall come into force with immediate effect.

Place: Mumbai

Date: April 13, 2023

Sd/-

ANANTH NARAYAN G.

WHOLE TIME MEMBER

SECURITIES AND EXCHANGE BOARD OF INDIA