



महाराष्ट्र MAHARASHTRA

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CZ 614682

अनु.क्र. 726028 20/11/2025 मुरकम 500/-  
दस्तावेज प्रकार Arbitral Award  
दस्त नोंदणी करणार आहेत का ? होय / नाही  
मिळकतीचे वर्णन  
मुद्रांक विकत घेणाऱ्याचे नाव  
पत्ता  
दुसऱ्या पक्षकाराचे नाव  
हस्ते व्यक्तीचे नाव व पत्ता  
ज्या कारणासाठी ज्यांनी मुद्रांक घेतला त्यांचे नाव कारणासाठी  
मुद्रांक खरेदी केल्यापासून ६ महिन्यात वापरणे बंधनकारक आहे.

मुद्रांक विकत घेणाऱ्याची सही

USHA ANDHARE (Stamp Vendor)  
Licence No. 2201092  
Vishrantwadi Chowk, Pune-15



**In the matter of Arbitration under Master Circular for Online  
Resolution of Disputes in the Indian Securities Market**

**Before the Sole Arbitrator [REDACTED]**

**Matter No: NSE-SB-2024-01-166289**

**Between**

[REDACTED]  
[REDACTED]  
[REDACTED]

**Complainant/ Applicant**

**And**

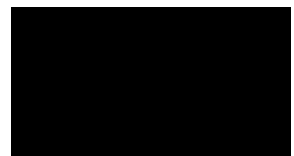
[REDACTED]  
[REDACTED]  
[REDACTED]

**Respondent**

CORD (Centre for Online Resolution of Dispute) is an independent institution facilitating and administering electronic Alternative Dispute Resolution via its online platform, <https://platform.resolveoncord.com>, also referred to as Online Dispute Resolution ("**ODR**") Institution, having its registered office at Bangalore.

CORD has been empanelled by the National Stock Exchange in accordance with the SEBI Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated August 11, 2023 ("**SEBI Circular**") as may be amended/modified from time to time, for undertaking time-bound online Conciliation and online Arbitration.

The above-mentioned matter was referred to CORD via SMARTODR.IN ("**ODR Portal**"), a common Portal established by the Market Infrastructure



Institutions ("MII") in accordance with the SEBI Circular, for harnessing online Conciliation and online Arbitration for resolution of disputes arising in the Indian Securities Market. Further, the parties have accepted the terms and conditions of ODR Portal.

The undersigned has been appointed as Sole Arbitrator in the present matter on the 02nd November 2024 by CORD, in the present matter.

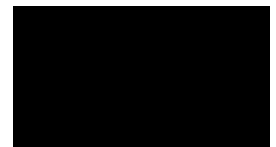
## **I. FACTS OF THE MATTER**

██████████ had executed online KYC Account with ██████████ ██████████ per rules, regulations and bye-laws prescribed by SEBI. He was given a login ID and password and was allowed access of different modes of trading platform. He alleged that the applicant unethically squared off his intraday sell/buy orders on 8<sup>th</sup> September without his knowledge which resulted in loss of Rs. 40,000/- and an effective loss of Rs. 1,00,000/- if these orders had not been squared-off. The matter was referred for conciliation to ██████████ who in his report concluded that TM squared off the transaction without notice in just 17 minutes whereas as a general practice/usage of day trading, the right to square off the day transaction arises before 30 minutes the market close. However, he had also taken into consideration the contention of the applicant that the conditions stipulated relating to squaring off necessitated this but observed that these conditions have been put in small letters shown as astric etc. Therefore, he held that the act of TM was not prudent for investor. He accordingly gave a decision in favour of the Respondent for a sum of Rs. 40,460/-.

Aggrieved by this order the Applicant sought arbitration. In the statement of the case, it is admitted that the Respondent had placed intraday sell order for 200 shares of MAZAGON DOCK SHIPBUILDERS LTD (MAZDOC) on September 8<sup>th</sup>, 2023, on the average trading price of Rs.2257.46. Further a buy order for 200 shares of MAZAGON DOCK SHIPBUILDERS LTD was placed on system on the same day at Rs. 2459.76. As the scrip moved more than 16% from the previous day close the position was squared off automatically by the system as per RISK policy of the Applicant. It was stated that the Respondent had agreed to these conditions. It has been reiterated by the applicant vide communication dated 06.12.24 that the said MAZAGON DOCK SHIPBUILDERS LTD (MAZDOC) scrip price had increased above 16% of the previous day close (Closing price of 07 September 2023 is Rs. 2,087.90). In such a scenario the Applicant (Trading Member) has to adhere to the RISK Policy which is duly signed and accepted by the Respondent for mitigation of Risk and penalty attached to it from the Exchange. The system automatically squares-off the positions irrespective of their being an intraday trade. The RISK policy is in place to protect the Applicant (Trading member) and the Client (Respondent) both.

## **II. RESPONSE FROM THE RESPONDENT**

The Respondent in letter dated 15.11.24 has reiterated the contentions urged before the Conciliator that as per intraday trading rules, if the buy order is not reached to the limit specified, the sell order gets squared off at market price prevailing at the time the trading session ends i.e. 3.20

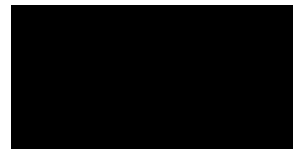


PM. Instead of waiting for the session to end, the applicant abruptly squared off open orders within an hour without his knowledge. As a result, he had to suffer loss. He questioned why the Applicant directly took decisions on his behalf without his instructions. He further mentioned that he could have squared off after booking reasonable profit/loss during the session and any loss or profit would have been on account of his own action and he himself would have been responsible. By squaring off on their own the Applicant has violated the rights of the customer.

Copy of statement of case given by the Applicant was forwarded to the Respondent for comments, if any. In response through email dated 1.12.24 she mentioned that he has incurred a loss of Rs. 1,00,000/- (Rs. 40,000/- on account of illegal squaring off of open sell position and Rs. 50,000/- on account of profit that she would have made). He further stated that he is prepared to forego the profit of Rs. 50,000/- but has requested that ICICI Securities be instructed to pay his additional sum of Rs. 12,000/- towards legal fee and Rs. 10,000/- towards mental agony faced by him. A copy was sent to the applicant who has informed that this is not acceptable to them.

### **III. ANALYSIS**

I have carefully gone through the facts of the case. There is no doubt that the squaring off of buy/sell orders by the applicant was in accordance with the conditions stipulated in their RISK policy. There is nothing on record to show that these stipulations have been found



violative of SEBI regulations or bye-laws and the Respondent had agreed to these conditions. Therefore, I do not find any merit in his claim.

**IV. AWARD**

NIL



( [Redacted] )

**Arbitrator**

**Dated: 12<sup>th</sup> December, 2024**