



IN-GJ42205650424405W



सत्यमेव जयते

INDIA NON JUDICIAL
Government of Gujarat
Certificate of Stamp Duty

₹300

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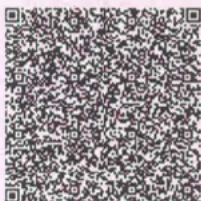
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Certificate No. : IN-GJ42205650424405W
Certificate Issued Date : 06-Aug-2024 03:56 PM
Account Reference : CSCACC (GV)/ gjcsceg07/ GJ-SUBIP0519/ GJ-SU
Unique Doc. Reference : SUBIN-GJGJCSCEG0701734072868551W
Purchased by :
Description of Document : Article 5(h) Agreement (not otherwise provided for)
Description : ARBITRAL AWARD
Consideration Price (Rs.) : 0
(Zero)
First Party :
Second Party :
Stamp Duty Paid By :
Stamp Duty Amount(Rs.) : 300
(Three Hundred only)



BEFORE THE LD. SOLE ARBITRATOR:

ARBITRATION AWARD
Arbitration Matter Ref. No.:
NSE-SB-2024-02-136473



IN-GJ42205650424405W

HIF 0007511271

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.

Between the parties

[REDACTED]

Phone: [REDACTED]

Email: [REDACTED]

[REDACTED]

.....(Applicant)

Category of Applicant: Investor/Constituent

Versus

[REDACTED]

Email: [REDACTED]

[REDACTED]

Category of Respondent: Trading Member/Market Participant.....(Respondent)

1. Centre for Online Resolution of Disputes (CORD) is an independent institution facilitating and administering electronic Alternative Dispute Resolution via its online platform, CORD, also referred to as Online Dispute Resolution (“ODR”) institution, having its Registered Office at F-14, 3rd Cross, Manyata Residency, Manyata Tech Park, Nagavara, Bangalore- 560045 and also with its own certified, qualified and independent panel of Arbitrators. The undersigned Arbitrator is from those pools / panels. This case is assigned to CORD through SMARTODR platform, which is referred by National Stock Exchange on a round robin basis.
2. Centre for Online Resolution of Disputes has been empanelled by National Stock Exchange in accordance with the SEBI Master Circular No. SEBI/HO/OIAE_IAD-1/P/CIR/2023/145 (“SEBI Circular”) as may be amended / modified from time to time, for undertaking time bound online Conciliation and online Arbitration.
3. The above mentioned arbitration matter was referred to Centre for Online Resolution of Disputes via SMARTODR.IN (“ODR Portal”), a common Portal established by the Market Infrastructure Institutions (“MII”) in accordance with the SEBI Circular, for harnessing online

[REDACTED]

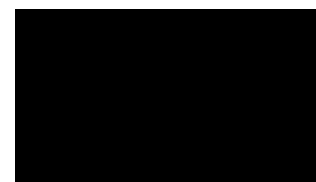
Conciliation and online Arbitration for resolution of disputes arising in the Indian Securities Market. **Further, the parties have accepted the terms and conditions of the ODR Portal.**

4. The undersigned has been appointed as an Arbitrator by CORD, the Online Dispute Resolution (ODR) Institution on 13th June 2024 in the present matter. The arbitration meeting was held on 28th June 2024 at 03:00 pm through via video conferencing.

A. ISSUES RAISED BY THE PARTIES:

The claimant, a client of [REDACTED], has raised a significant concern regarding a trading activity involving [REDACTED] shares on January 18, 2024, using the [REDACTED] app. He engaged in purchasing and selling 6084 shares on the same day but discovered discrepancies leading to financial losses.

1. Despite executing trades for [REDACTED] shares, the claimant found no shares in his Demat Account.
2. The claimant was unaware that [REDACTED] was categorized under the Trade to Trade (T2T) segment. He later learned from another broker that shares in the T2T segment require holding in the Demat Account for trades to be valid. This lack of awareness led to unexpected financial outcomes.
3. Despite being informed that shares not held in the T2T segment would result in automatic order cancellation, all his shares were sold, causing substantial losses.
4. The claimant incurred a penalty of approximately 20%, amounting to around 7 lakh. He has provided his financial ledger, auction bill, and trading bill as evidence of the transactions and losses.
5. The claimant seeks a thorough review of the trading activity and clarification on why the shares were sold despite not being held in his Demat Account. He requests compensation for the losses incurred and believes there may have been a discrepancy or error within the [REDACTED] app or trading process.
6. The claimant emphasizes the severity of the financial impact and requests prompt attention and a fair resolution to mitigate the losses.



B. RESPONSE FROM THE RESPONDENTS

██████████ responded by emphasizing the claimant's ignorance about the trading segment and reiterating their earlier submission and discussion during the CORD hearing on February 28, 2024.

1. The claimant, ██████████, has been a registered client through an authorized person since 2021.
2. He is a regular trader using the ██████████ Mobile Application "██████████".
3. On this date, ██████████, was under the "Trade to Trade" (BE) segment, which requires taking delivery of purchased shares and giving delivery of sold shares.
4. The claimant traded 6084 shares both bought and sold on the same day without fulfilling the delivery obligations.
5. The client failed to meet his obligation, leading to an auction by NSE.
6. The claimant was required to pay for the failed obligation as per auction settlement rules.
7. As a regular trader, the claimant is expected to understand market terminology and make informed decisions.
8. The ██████████ app provides information about the segment in which a scrip trades, and the client should have checked this before trading.

OBSERVATIONS OF ARBITRATOR

Both the applicant ██████████ and the Respondent ██████████ appeared online for a hearing on 28th June 2024 at 3,30pm.

The applicant has been dealing with the Respondent since 2021 and doing trading activities the respondent's Mobile app ██████████

on 18th Jan 2024, the applicant purchased 6084 shares of ██████████. He also sold the same shares, without receiving credit of 6084 shares in his Demat account.

The above trading is categorized as T2T (Trade to Trade) segment. As per Exchange guidelines, Trading in the T2T segment requires clear holding in the Demat account which was not followed by the applicant and he sold the shares without a clear balance in his Demat account.

As per Auction settlement rules, The Exchange auctions such un-settled Transactions, which may result in Profit /Loss due to differences in the sale /purchase price of shares.



The applicant did not check his position in the Demat account / [REDACTED] app before selling the shares.

The plea of the applicant that he was not aware of T2T transaction may not be tenable as he has been trading through the [REDACTED] app since more than 2 years and he is expected to market terminology and accordingly make prudent decisions for his trading activities.

AWARD

1. The claim of the applicant that he was not aware of process/rules for T2T trading is not tenable.
2. The cost of this Arbitration to be borne by the parties, pursuant to relevant SEBI guidelines.

PLACE: [REDACTED]

[REDACTED]

[REDACTED]

Arbitrator